

GREENSPIN

SPINNING PROGRESS TOWARDS
A SUSTAINABLE FUTURE



20
25
ANNUAL
REPORT



GreenSpin: Spinning Progress Towards a Sustainable Future

The textile spinning industry stands at a defining moment, where deep-rooted legacy and technology must converge to secure a sustainable tomorrow. At TATA Pakistan, we embrace this transformation through **GreenSpin**, a philosophy that integrates intelligent technology with sustainable practices to redefine excellence in spinning.

The cover image illustrates this union vividly. On one side, the *timeless spinning wheel*, a symbol of craftsmanship, heritage, and nature's gift of cotton. On the other, its *digital twin*, glowing in green, embodies advanced technologies that are shaping the future of the textile sector. Together, they represent a journey from a proud legacy to a *smarter, greener future*.

As a progressive textile spinning company, we have consistently invested in forward-looking solutions that strengthen our competitive edge while upholding environmental responsibility. Our operations are guided by the principle that innovation must not only deliver efficiency and growth but also preserve the planet that sustains our industry.

GreenSpin is more than just technology, it is our commitment to balancing progress with responsibility. Our focus is on upholding ethical practices, fostering sustainable production, ensuring responsible resource stewardship, and creating long-term value for all stakeholders.

At TATA Pakistan, we believe the strength of the future lies in uniting nature's resilience with technological excellence. **GreenSpin** is our *pledge* to spin not only yarns, but also a sustainable future where innovation and responsibility blend together seamlessly.



About this Report

Content:

This Annual Report of TTML provides a comprehensive overview of the Company's performance during FY 2024-25. It presents essential background information, detailed financial and operational results, and management's commentary on key business drivers. Data is supported with graphs, charts, and analyses for better visualization and interpretation. Dedicated sections highlight sustainability initiatives, governance practices, and stakeholder engagement. The Report also includes a separate Sustainability Report, along with Annual Financial Statements, prepared in accordance with applicable accounting and reporting standards in Pakistan.

Scope and Boundary:

The Report covers the financial year from July 01, 2024, to June 30, 2025, while also incorporating significant subsequent developments up to the date of publication. Financial analysis and reviews are based on audited financial statements for the year ended June 30, 2025, with relevant comparative information. No major changes have been made to the scope, boundary, or reporting framework compared to the previous year, except where specifically disclosed.

Disclaimer:

This Report contains forward-looking statements reflecting management's current expectations. These statements are subject to risks and uncertainties that could cause actual results to differ materially from those anticipated. They should not be considered as guarantees of future performance and are valid only as of the date of publication.

External Assurances and Reviews:

The Company's Financial Statements have been audited by its statutory auditors, M/s Yousuf Adil, Chartered Accountants. The Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 has also been reviewed by the auditors. Further the Company's sustainability team has reviewed Sustainability Report included in the relevant section of this Report.

External Assurances and Reviews:

The Company values feedback and welcomes comments on its reporting. For any questions and/or suggestions, you may contact our team via email at ttml.corporate@tatapakistan.com

Awards and Accolades



1st Position in the
Best Corporate Report 2023



Silver Winner-Traceability
Champion Award by Interloop



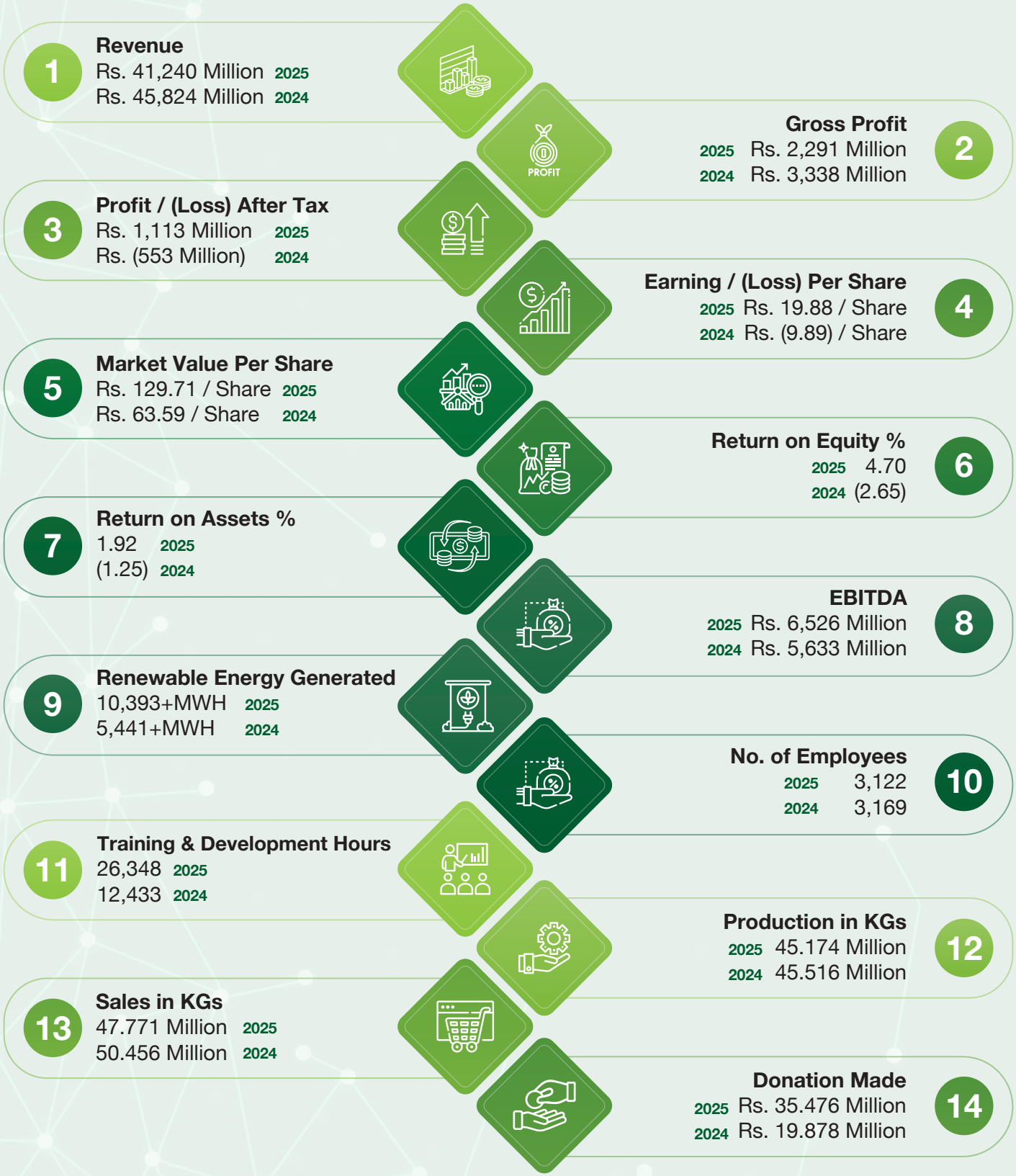
Recognition Award in Occupational
Safety and Health Awards 2024



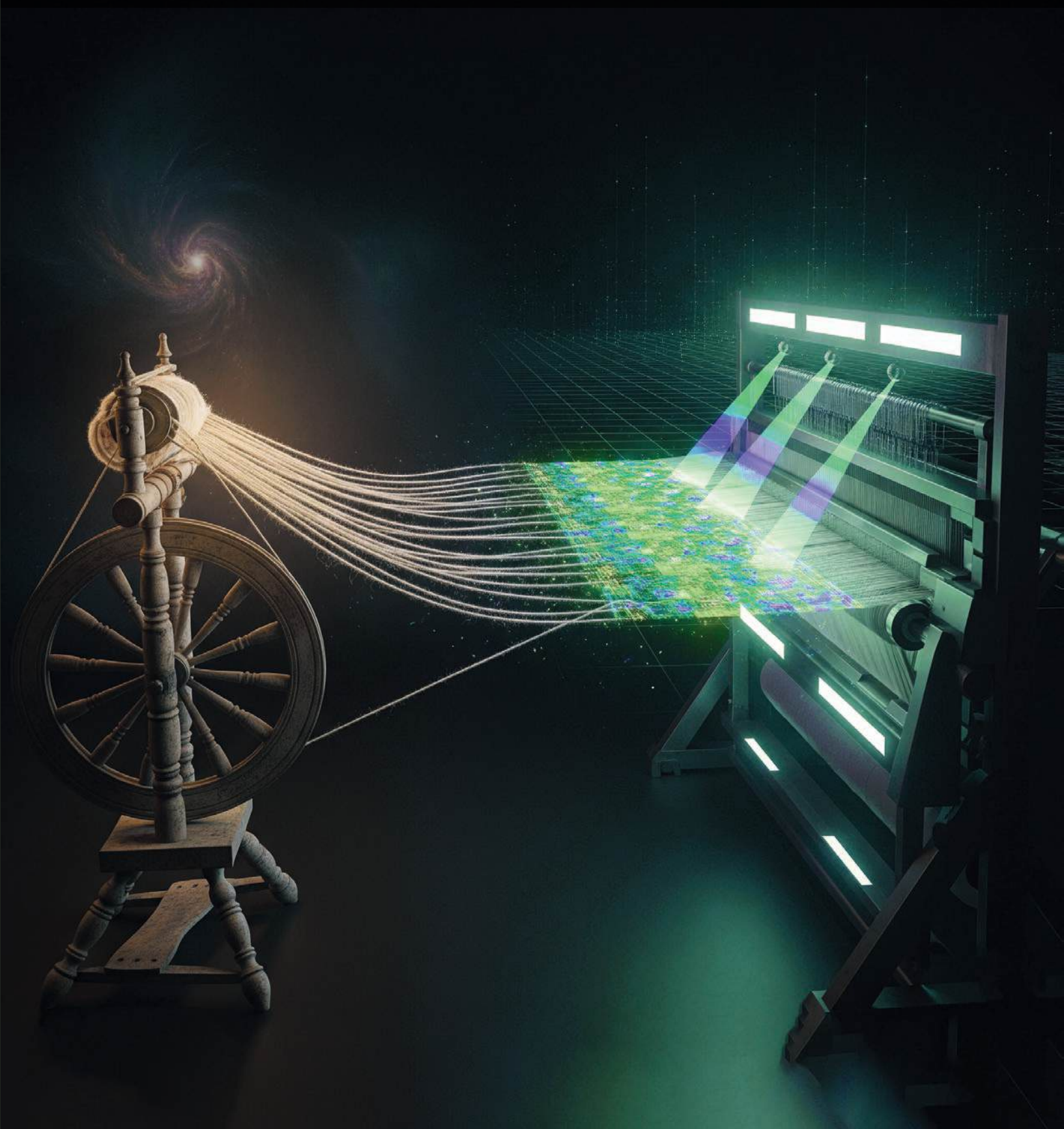
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PERFORMANCE HIGHLIGHTS



Organizational Overview and External Environment



Our Company's Vision, Mission, Culture and Values



Vision Statement

We envision our credibility as one of the World's leading companies known for its values, principally honest business practices and optimum quality standards in diversified product range with sustained growth.



Mission Statement

We shall remain committed to exceeding the highest expectations of our customers. We strive for the production of best quality yarns for high value products.



Culture

We are one team, committed to excellence, through continuous improvement, collaboration, and respect.

- **One team:** We are all part of the same team, working together towards a common goal.
- **Committed to excellence:** We strive for the highest standards of performance and quality.
- **Continuous improvement:** We are always looking for ways to improve our processes and results.
- **Collaboration:** We work together to achieve our goals, sharing ideas and resources.
- **Respect:** We treat each other with respect, regardless of our differences.

Values

Our core values comprise of the following four pillars which ensure our growth and lead us to the path of success.

- **Integrity:**
We contribute to support family-oriented work environment founded on trust, honesty and transparency, with open communication and fair dealing.
- **Respect:**
We value people as our valuable asset. Value and treat others as we would want others to treat/value us.
- **Teamwork:**
To own the business and work for mutual benefits of the company and individual work effectively with each other to achieve organizational goals with a helping and a positive attitude.
- **Accountability:**
To deliver excellence in results with commitment to all stakeholders take responsibility for the success of business marked by continuous development whilst achieving shareholders objectives.

Code of Conduct & Business Ethics

TTML is committed to conducting its business in accordance with the applicable laws, rules, and regulations and with the highest standards of business ethics. The Company's Code of Conduct captures its values and encompasses business principles and ethical standards that the Company is committed to upholding.

Honest and Ethical Conduct

The Company expects all directors and employees to act in accordance with the highest standards of personal and professional integrity, honesty, and ethical conduct, while working at the Company's premises, at offsite locations, at Company-sponsored business and social events, and/or at any other place where directors and employees represent the company. Honest conduct is considered to be free from fraud and/or deception, while ethical conduct conforms to accepted professional standards.

Conflicts of Interest

Employees are required to avoid engaging in activities that conflict with the Company's best interest. A conflict of interest occurs when a director or employee's actions or interests hinder their ability to perform their duties objectively and effectively, or when they receive improper personal benefits from their position. Any external business activity that affects one's ability to focus on their role at the Company must be disclosed to ensure no conflict with Company interests. Receiving non-nominal gifts or having significant ownership interests in a supplier, customer, business partner, or competitor can create conflicts of interest. Directors must disclose potential conflicts to the Board of Directors for approval, while employees must disclose to the Division Head and HR Head and seek approval.

Compliance with Applicable Laws, Rules, and Regulations

Directors and employees must adhere to all relevant laws, rules, and regulations, acquiring sufficient knowledge to recognize risks and seek advice when needed. For copyright protection, they must also avoid copying or transferring confidential or proprietary information from external sources unless officially authorized and legally permitted.

Confidentiality

Confidential Information must not be disclosed to unauthorized personnel or used for personal benefit by the employees to prevent harm to the Company or benefit to competitors. Directors and employees must safeguard sensitive data, use it only for business purposes, prevent unauthorized copying or disclosure, ensure electronic communications are correctly addressed and marked confidential, and avoid using it for personal gain or discussing it with unauthorized individuals throughout the employment period, and even after leaving the Company.

Insider Trading

Zero tolerance for the improper use of non-public or inside information. Employees aware of inside information must treat it with confidentiality and avoid unauthorized disclosures. This includes buying or selling company stock based on material, non-public information, creating an unfair advantage. Employees and directors with such information must not:

- a. Trade or transact company stock,
- b. Share the information with others who might trade based on it,
- c. Use the information for personal gain or to benefit others.

Fair Dealing

Fairness in dealings with employees, customers, suppliers, and competitors is essential. The Company enforces merit-based hiring, prohibits discrimination, and has zero tolerance for favoritism, harassment, and misuse of authority.

Protection and Proper Use of Company Assets

The Company's assets must be safeguarded and used efficiently for legitimate purposes; misuse, theft, or waste is not tolerated.

Gifts and Entertainment

Receiving gifts from business partners is generally prohibited unless they are customary, non-influential, and in line with the Code of Conduct.

Limits of Authority

Actions on behalf of the Company must align with approved delegation limits. Only authorized individuals may sign or approve official documents and represent the Company.

Political Activities

Directors and employees may volunteer for political campaigns in their personal capacity, ensuring no conflict with their work responsibilities and company representation.

Representation in Media

Only authorized spokespersons may speak for the Company in media, particularly in the event of a crisis. Responsible social media use is required to protect the Company's reputation.

Post-separation Responsibility

Upon leaving the Company, Directors and employees must return all assets and documents and continue to maintain confidentiality regarding information obtained during their employment with the company.

Company Information

Board of Directors

Mr. Mazhar Valjee - Chairman
Mr. Shahid Anwar Tata - Chief Executive
Mr. Adeel Shahid Tata - Executive Director
Mr. Bilal Shahid Tata - Non-Executive Director
Mr. Farooq Advani - Independent Director
Mr. Tayyeb Afzal - Independent Director
Ms. Samar Shahid - Non-Executive Director

Audit Committee

Mr. Tayyeb Afzal - Chairman
Mr. Bilal Shahid Tata - Member
Mr. Farooq Advani - Member
Mr. Ghazanfer Yaseen - Secretary

HR & Remuneration Committee

Mr. Mazhar Valjee - Chairman
Mr. Farooq Advani - Member
Mr. Adeel Shahid Tata - Member
Mr. Bilal Shahid Tata - Member
Ms. Samar Shahid - Member
Ms. Humera Ahmad - Secretary

Chief Operating Officer

Mr. Adeel Shahid Tata

Chief Financial Officer

Mr. Muhammad Zaid Kaliya

Company Secretary

Mr. Muhammad Hussain

Head of Internal Audit

Mr. Ghazanfer Yaseen

Auditors

M/s. Yousuf Adil, Chartered Accountants

Legal Advisor

Ameen Bandukda & Co.

Bankers

Allied Bank Limited
Askari Bank Limited
Bank Alfalah Limited
Bank Al Habib Limited
BankIslami Pakistan Limited
Dubai Islamic Bank (Pakistan) Limited
HBL (Islamic Banking)
JS Bank Limited
MCB Bank Limited
Meezan Bank Limited
National Bank of Pakistan
National Bank of Pakistan – AIBG
Samba Bank Limited
Soneri Bank Limited
The Bank of Khyber
The Bank of Punjab
United Bank Limited

Development Financial Institution

PAIR Investment Company Limited
Pak Oman Investment Company Limited

Registered Office

6th Floor, Textile Plaza,
M.A. Jinnah Road, Karachi.
Tel: (92-21) 32412955-3 Lines, (92-21) 32426761-2-4
Fax: (92-21) 32417710
Email: ttm.corporate@tatapakistan.com

Factory Location

Khanpur, Baggasher, Muzaffargarh, Punjab
S.I.T.E. Kotri, District Jamshoro, Sindh and
Landhi Industrial Area, Karachi, Sindh.

Share Registrar

CDC Share Registrar Services Limited
CDC House, 99-B, Block ‘B’, S.M.C.H.S.,
Main Shahra-e-Faisal Karachi.
Tel: (Toll Free) 0800-CDCPL (23275)
Fax: (92-21) 34326053

E-Communication

www.tatapakistan.com
<https://www.linkedin.com/company/tata-pakistan/>
<https://www.youtube.com/@tatapakistan1>

Group Information

TATA Pakistan is a prominent and highly regarded business group in the country, with diversified interests in textiles and foods businesses. The group’s activities started in 1969 and since then have expanded into textile spinning business and has established itself as a leading brand. The group has diversified its business interests into the food sector. Tata Pakistan has sizable exports and contributes valuable foreign exchange to the national exchequer. With a great brand name for quality and innovation, TATA Pakistan remains a key player in enhancing both local industry and international trade.

Tata Textile Mills Ltd. (TTML)

TTML is a public limited company incorporated in 1987 under the Companies Ordinance, 1984 (repealed by the Companies Act, 2017) and listed on Pakistan Stock Exchange. In the year 2021, Island Textile Mills Ltd., Salfi Textile Mills Ltd., and Tata Energy Ltd. merged into TTML, thereby synergy and efficiency of the company enhanced. The registered office of the company is located in Textile Plaza, M.A Jinnah Road Karachi. The spinning units are located in Karachi, Kotri and Muzaffargarh. For a general review of TTML’s performance in comparison with last year and , please refer to Part VI- “Analysis of Financial Information” of this annual report.

a. Kotri Unit

Established in the year 1970 (formerly Island Textile Mills Ltd. before merger) and acquired in this 1981 as an operational spinning unit in Kotri Industrial Estate, Sindh, this facility gained a strong reputation in cotton yarn spinning. In 2014, the company launched a strategic expansion plan, leading to the commencement of commercial production in 2015 with advanced, fully automated Reiter spinning machinery, covering the entire process from blow room to winding, with installed capacity of 45,984 spindles. A 3.58 MW solar plant has been installed to generate renewable energy for the facility.

b. Landhi Unit

Established in the year 1968 (formerly Salfi Textile Mills Ltd. before merger) and acquired in 1983, this unit was primarily established in the synthetic yarn market over four successful decades. In 2005, the unit underwent a comprehensive renovation, boosting its capacity to 36,708 spindles with state-of-the-art machinery, thereby doubling its spinning production capacity. To emphasis green energy production, a 1 MW solar plant is installed to enhance energy efficiency.

c. Muzaffargarh Unit

The modern spinning unit established in the year 1984, equipped with 44,400 spindles for cotton yarn production, has rapidly set the TATA Brand as a market standard. Located in Muzaffargarh near Multan, the facility is undergoing continous upgrades, including automation initiatives and the replacement of old machinery. Along with highly efficient gas generators and a 6.52 MW solar plant was installed to optimize power generation costs.

Tata Best Foods Limited (TBFL)

After four decades of excellence in the textile industry, the group diversified into the food sector in 2010 as a public limited unlisted entity under the Companies Ordinance, 1984. TBFL's core business involves meat processing at its internationally accredited facility in Landhi, Karachi, where it prepares, processes, preserves, packages, and markets meat and related products for both export and local sales to restaurants, hotel chains, and grocery stores. The company’s feedlot facility and agricultural activity is located at Muzaffargarh. As a manufacturer and exporter, TBFL is playing a crucial role in the modernization of Pakistan's meat industry and contributes significantly to the economy through valuable foreign exchange.

Upcrop (Pvt.) Limited (UPPL)

UPPL is recently established in 2022, as a private limited entity under the Companies Act, 2017. UPPL is an innovative agricultural company founded with a vision to transform previously uncultivable land into productive agricultural units using advanced irrigation technology. The agricultural land of the company is situated at Muzaffargarh, spanning 372 acres. The company is committed to integrating cutting-edge sensor technology to gather precise data on soil, weather, and crop health, optimizing agricultural operations through innovative solutions.

Tata Textile Mills Limited At A Glance

Tata Textile Mills Limited (TTML) is recognized as one of the Pakistan’s leading manufacturers and suppliers of yarn. Since our inception in the late 1960s, TTML has steadily evolved to establish a distinguished presence in the national textile market. We uphold uncompromising standards across all dimensions, from delivering superior quality products to ensuring employee well-being and satisfaction. TTML is a premier textile spinning Company with 127,092 spindles, primarily engaged in the B2B segment of Pakistan. TTML has a well-established track record of exporting its products to a wide range of international markets, serving renowned global textile and apparel brands such as Levi’s, Zara, Adidas, Nike, Hugo Boss, GAP, H&M, and Primark. TTML relies on modern and efficient machinery comprises international brands like Reiter, Truetzschler, Toyota, Murata, etc.

With over four decades of consistent business performance, the Company has established a distinct position within Pakistan’s textile spinning industry. A strong emphasis on innovation, product quality, and adherence to ethical and professional standards has enabled the development of a customer-centric portfolio, comprising leading domestic and international clients. Over the past years, these enduring relationships have strengthened the Company’s market presence and reinforced its reputation as a trusted partner in the global textile value chain.

TTML is a proud recipient of following accolades during the year:

- First position in Best Corporate Report Awards 2023 in the Textile Category jointly organized by the Institute of Chartered Accountants of Pakistan and the Institute of Cost and Management Accountants of Pakistan.
- Recognition Award for Best Practices in Occupational Safety, Health, and Environment for the year 2023, as conferred by Employee Federation of Pakistan.

TTML places strong emphasis on health, safety, environmental stewardship, and sustainable growth, reflecting its commitment as a socially responsible organization. Since 1990, the Company has operated under a Quality Management System aligned with ISO-9001, forming the foundation of its governance and operational excellence. This framework is now being expanded to integrate Occupational Health & Safety, Environmental Management, and Energy Management Systems, supported by digital transformation initiatives that enhance monitoring, efficiency, and compliance with global best practices.

Additionally, TTML holds certifications on;

- OEKO-TEX,
- Global Organic Textile Standard (GOTS),
- Organic Content Standard (OCS),
- Global Recycle Standard (GRS),
- Recycled Claim Standard (RCS) and
- Regenagri Content Standard

TTML is an active participant in several international forums that pursue sustainability initiatives like;

- International Cotton Association (ICA),
- Cotton USA Licensee
- US Cotton Trust Protocol (USCTP),
- Cotton Made in Africa (CMiA) and
- Better Cotton Initiative (BCI)

TTML is also a valued part of the supply chain for prominent brands such as Primark and Inditex, this association has led the company to maintain its registration with ‘Social Labor Convergence Program (SLCP) and utilizes Higg Index to measure & grow its sustainability practices.

TTML is striving for excellence in its energy management, employing a diverse range of energy sources to minimize costs while prioritizing eco-friendly options for energy generation.

TTML has advanced its digital transformation by migrating to Oracle Fusion Cloud ERP, enhancing integration, visibility, and automation across operations. Key initiatives include digital supplier portals, barcode systems, business intelligence dashboards, and digitalized HR processes. Adoption of Diligent Boards and paperless workflows has further strengthened governance and efficiency. Future priorities include cyber risk management, advanced analytics, and expanding automation to ensure operational resilience, sustainability, and long-term stakeholder value.

Product Portfolio

TTML has the capability to produce the following categories of yarns:

- 100% Cotton Carded Knitting and Weaving Yarns.
- 100% Cotton Combed Knitting and Weaving Yarns.
- 100% Cotton Combed Compact Knitting and Weaving Yarns.
- 100% Cotton Carded Weaving Siro Yarns.
- 100% Cotton Combed Compact Weaving Siro Yarns.
- 100% Cotton Carded / Combed Slub / Siro Slub Yarns.
- Cotton Core Ring Spun Yarns.
- Zero Twist PVA Carded and Combed Yarns.
- 100% Cotton Plied Carded and Combed Yarns.
- Cotton / Polyester Blend Carded and Comb Yarn for Knitting and Weaving.
- Cotton / Tencel Blend Carded for Weaving Yarn.
- Cotton / Modal Blend Carded for Weaving Yarn.
- Cotton / Polyester Blend Carded and Comb Chain Yarn.

Application

TTML products are widely employed by following:

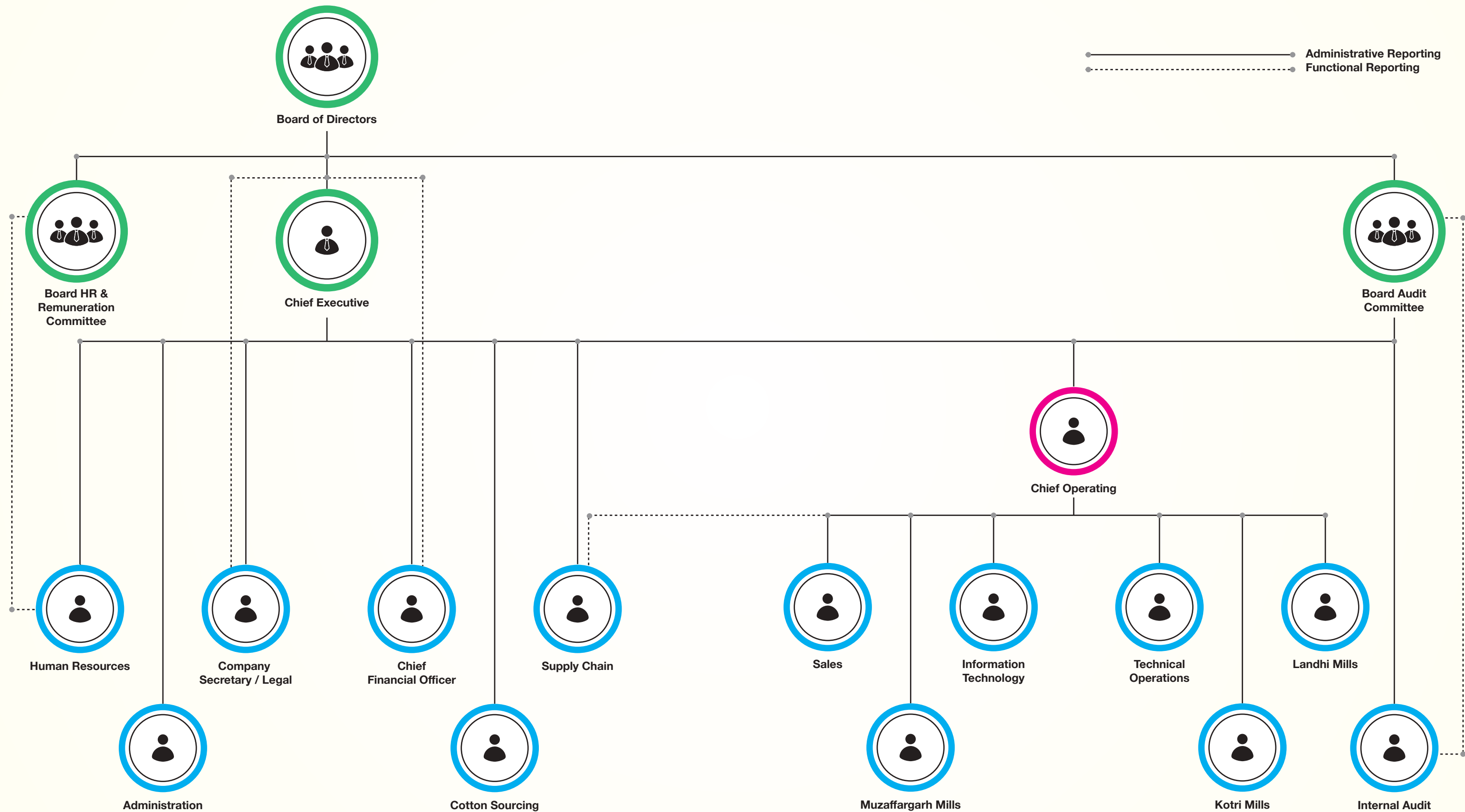
- Denims
- Terry towels
- Bed Linen
- Woven apparel
- Knitted apparel

Geographical Spread

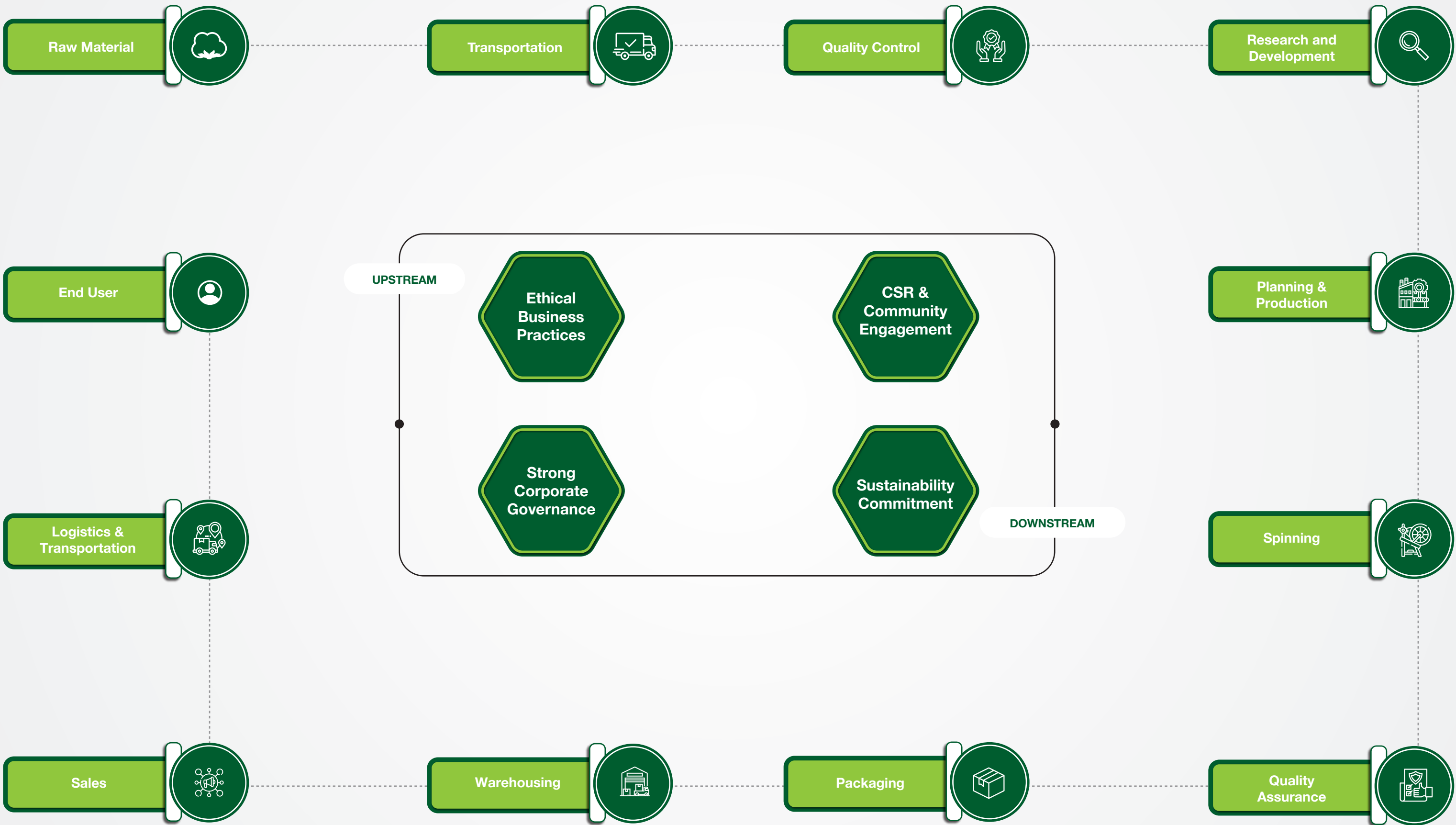
- Imported Cotton Buying Area**
Afghanistan | Argentina | Brazil
Ivory Coast | Mexico | Tajikistan
Tanzania | Turkey | Uganda
United States of America
- Local Cotton Buying Area**
Kumb | Khanewal | Layyah
Rahim Yar Khan | Rohri | Salehat
Sanghar | Tando Adam Khan | Vehari
Yazman
- Export Sales**
Bangladesh | China
France | Japan
- Local Sales**
Faisalabad | Hyderabad, Sindh
Jhang | Karachi | Kasur
Lahore | Lasbela District | Multan
Nooriabad | Sialkot
- Manufacturing Plant**
Landhi Industrial Area, Karachi, Sindh
S.I.T.E, Kotri, District Jamshoro, Sindh
Khanpur, Baggasher Muzaffargarh, Punjab
- Registered Office**
6th floor, Textile Plaza, M.A Jinnah Road, Karachi.
- Warehouses:**
North Western Industrial Zone, Port Qasim Authority, Karachi, Pakistan;
S.I.T.E Karachi, Pakistan.










Organizational Structure



Value Chain Positioning



STEEPLE Analysis

FACTORS		ORGANIZATION'S RESPONSE		
	<div>SSocial</div> <p>A strong commitment to social responsibility is essential for improving business performance and preventing adverse effects on stakeholders. Socio-cultural factors, which include demographic attributes, norms, and local customs, immensely assist marketers to comprehend customer needs.</p>	<div>TTechnological</div> <p>Technology is essential for sustained organizational growth. It plays a key role in the success of businesses. Businesses that comprehend the ways in which technology can impact their industry, and market will be in a better position to make well-informed decisions about market expansion, product launches, and outsourcing. The latest technological advancements empower TTML to embark on a path of growth.</p>	<div>EEconomic</div> <p>Economic factors, such as interest rates, inflation, taxation policies, and exchange rates, can have a significant impact on the financial performance of businesses. These factors can affect the purchasing power of consumers, the cost of doing business, and the demand for goods and services. As a result, they can have a direct impact on the profitability, growth, and sustainability of businesses.</p>	
	<div>EEnvironmental</div> <p>Climate change poses a critical threat, driving calamities that disrupt productivity, fuel inflation, and create adverse social impacts. The increasing environmental catastrophe and resource scarcity obliges companies to embrace CSR, sustainability, and strict environmental regulatory compliance to avoid reputational loss and legal repercussions.</p>	<div>PPolitical</div> <p>Political factors play a decisive role in shaping business outcomes. Frequent policy changes and instability in governance can challenge investor confidence and disrupt long-term planning. The extent of government intervention and overall political stability remain key determinants of market attractiveness and organizational performance.</p>	<div>LLegal</div> <p>Businesses are required to have a comprehensive understanding of the legal and regulatory frameworks that govern their operations, both domestically and internationally. Failure to comply with these requirements can have serious consequences, including reputational damage, financial penalties, and other sanctions.</p>	
	<div>EEthical</div> <p>Ethical factors encompass the moral principles guiding corporate decision-making. Businesses are expected to align strategies with ethical values, considering implications for profitability, employee well-being, and environmental responsibility. Adherence to ethical practices strengthens stakeholder trust, safeguards reputation, and supports sustainable organizational growth</p>			
		<p>As a socially responsible company, TTML is committed to making a visible positive impact on society. TTML actively supports various social causes, such as educational programs, healthcare initiatives and environmental conservation efforts. By contributing to these areas, TTML aims to prioritize the well-being and safety of our employees and community. TTML believe that a healthy and secure workforce is essential for our company's success therefore it implements policies and programs that promote employee health, safety, and work-life balance.</p> <p>TTML is also dedicated to continuously extending its corporate social responsibility (CSR) initiatives by sponsoring education and granting scholarships. It also runs Jugnoo Sabaq, an adult literacy program designed to enlighten staff with essential fundamental education and knowledge as well as fund education of children of laborers. TTML regularly evaluates its existing programs and explores new opportunities to create a more sustainable and equitable future.</p>	<p>The management recognizes the critical role of technological advancements in ensuring organizational success in today's dynamic business environment. To maintain a competitive edge, TTML consistently embraces new technologies and seeks innovative ways to improve efficiency of operations.</p> <p>TTML continuously makes significant financial commitments to modernizing its facilities and equipment. Additionally, TTML has invested in upskilling its workforce through targeted training programs that equip them with the knowledge and skills essential to effectively deploy and leverage new technologies.</p> <p>Notable investments in technology include implementation of the highly advanced cloud-based ERP system, Oracle Fusion, Diligent Software, OPT Cotton, Power BI, Bar-coding technology, and other automation tools. By embracing automation and AI, TTML streamlines business processes, enhances operational efficiency, and generates valuable data-driven insights that strengthen decision-making and long-term competitiveness.</p>	<p>The company maintains a robust financial position by closely monitoring its financial ratios and proactively implementing strategies to mitigate the negative effects of economic factors. TTML team includes professionals from business operations, finance and taxation, who develop risk management plans to hedge the impact of change in currency devaluation and interest rate, undertakes strategic tax planning to ensure that tax obligations are met appropriately, and rigorously follow up for refunds.</p>
	<p>The company strictly follows all relevant laws and regulations and proactively takes environmentally friendly steps to generate long-term benefits for society by using natural resources efficiently. To achieve this, the company has invested in a solar energy project to produce clean energy, reducing its dependence on depleting fuels and decreasing its carbon footprint. Additionally, the company installed water purification and filtration plants within the factory premises to provide clean water and sanitation for all its employees and surrounding community as well as periodically arrange plantation drive to combat climate change. Furthermore, the company has obtained certifications in Global Organic Textile Standard (GOTS), Organic Content Standard (OCS), Global Recycle Standard (GRS), and Recycled Claim Standard (RCS), demonstrating that its products meet rigorous environmental and social standards. These initiatives highlight the company's commitment to safeguarding the environment and building a sustainable future.</p>	<p>The company conducts consistent monitoring and analysis of the local and global political environment, including any changes in tariff structures and taxation. Although mostly, it is beyond the control of TTML to mitigate the adverse impact of political change. Through a proactive approach, TTML aims to reduce potential adverse impacts on its business by making timely strategic actions. Changes in fiscal and monetary policies are actively tracked along with key macro-economic indicators.</p>	<p>The company is committed to ensuring full compliance with all relevant laws and regulations. This involves staying updated on new legislation and ensuring that all departments are aware of and adhere to the requirements. To achieve this, the company has a dedicated team of experienced professionals to provide specialized compliance guidance. Furthermore, the company engages legal and tax experts as retainers, to guarantee comprehensive compliance with all legal and regulatory obligations. The company's management explicitly condemns corrupt and fraudulent practices and is committed to operating with transparency and integrity in all its dealings. The company engages professional consultants and legal counsel whenever required.</p>	<p>The company is dedicated to upholding the highest ethical standards in all its business dealings. TTML prioritizes transparency and accountability and strongly prohibits all forms of corruption, fraud, and unethical conduct. TTML believe that these principles are fundamental for fostering and maintaining trust and confidence with our customers, employees, suppliers, and other stakeholders. TTML is committed to adhering to these principles in every aspect of our operations.</p>

The Effect of Seasonality on Business in Terms of Production & Sales

TTML, is one of the leading yarn manufacturers in Pakistan, is significantly influenced by cotton seasonality, with procurement linked to the local harvest (August to December) and international cycles. This seasonality impacts production, sales, and working capital, while the Company is also exposed to currency volatility and natural disasters. Despite TTML's robust inventory management, production planning, and market-driven sales strategies, the seasonal fluctuations during the year remained challenging, significantly impacting operational continuity and overall business performance. Following are some cotton procurement months in different regions:



The Legitimate Needs, Interests of Key Stakeholders & Industry Trends

TML recognizes that long-term success depends on addressing the legitimate needs and interests of its key stakeholders while aligning with emerging industry trends. The Company engages regularly with stakeholders to ensure that their expectations are understood, balanced, and incorporated into its strategy.



The Company closely monitors evolving trends such as sustainability, digital transformation, and global market shifts to adapt strategies and maintain competitiveness.

1990-2009
Expansion phase

- 1999: Achieved Corporate ISO-9001 Certification.
- 2004: TTML's Unit II commenced operations with 25,200 spindles in Muzaffargarh.
- 2005: Became the first Usterized textile mill in Pakistan, achieved Supima Certifications, and enhanced capacity to 36,324 spindles of Salfi Textile Mills in Karachi.
- 2007: 100% production capacity enhancement at Landhi, Karachi.
- 2009: Achieved OEKO TEX Standard 100 Certification.

2010-2019
Diversification and Technological Advancement

- 2010: Diversified into meat processing with Tata Best Foods Ltd.
- 2012: Became the first in Pakistan to install Uster Quantum 3 clearers and Trutzschler Securomat.
- 2013: Implemented ERP Oracle EBS and joined the Better Cotton Initiative (BCI).
- 2014: Passed the "Corporate Social Responsibility Audit" by SGS Pakistan.
- 2015: Established the second unit of Island Textile Mills Ltd. in Kotri, with 26,784 spindles.

1969
to
1989

1990
to
2009

2010
to
2019

2020
to
2025

1969-1989
Laying the Foundation

- 1969: Acquisition of embroidery unit from Naveena Industries.
- 1981: Acquisition of Island Textile Mills Ltd., marking the entry into cotton yarn spinning.
- 1983: Entry into synthetic yarn with the acquisition of Salfi Textile Mills Ltd.
- 1984: Establishment of a modern spinning unit with 19,200 spindles in Muzaffargarh

2020-2025
Merger, Digital Transformation and Sustainability

- 2020: Installed Caterpillar Gas engine, improving efficiency by 20%.
- 2021: Merger of Island Textile Mills Ltd., Salfi Textile Mills Ltd., and Tata Energy Ltd. into TTML.
- 2022: Commissioned a 2.2 MW solar-powered energy plant.
- 2024: Implemented cloud-based ERP "Oracle Fusion" and "Diligent Board" software as well as expanded solar energy capacity to 4.4 MW.
- 2025: Expansion of solar energy capacity to 11.14 MW.

SWOT Analysis

Strengths:

- Well-established corporate image and robust value system.
- Commercial execution through the implementation of best practices.
- Ethical business practices
- Skilled and experienced workforce, with exclusive focus on DE&I
- Modern manufacturing facilities
- State-of-the-art cloud-based ERP with Business Intelligence capabilities
- In-house power generation capacity
- Skilled workforce development and retention.

Weaknesses:

- Dependence on commodity-based business model, exposing margins to market price volatility.
- High reliance on labor-intensive operations, limiting scalability and efficiency gains.
- Elevated working capital requirements due to cyclical demand and procurement patterns.
- Limited product diversification, increasing vulnerability to shifts in customer preferences.
- Operational dependence on consistent energy supply, which constrains efficiency during shortages.

Opportunities:

- Potential to develop and market value-added products
- Investing in advanced and AI-enabled technologies
- Adopting new sustainable practices can boost environmental credentials and attract eco-conscious consumers
- Expanding into new, untapped export markets
- Horizontal as well as vertical diversification

Threats:

- Natural disasters like floods and earthquake impacting cotton crops and business operations
- Economic instability, political uncertainty, trade tensions like tariff imposition, changes in regulations or government policies
- Continuously increasing costs of doing business, including energy tariffs, taxes, and inflation
- Abrupt fluctuation in interest and exchange rates
- Fluctuations in raw material prices, particularly cotton
- Intense competition and aggressive pricing strategies in the textile industry
- Unstable and inconsistent electricity from grid
- Oversupply of cotton yarn in the market

Competitive Landscape and Market Positioning

TTML operates in a dynamic and competitive textile industry, driven by innovation, quality, and strategic expansion. Despite intense competition, particularly from cost-driven producers, TTML's focus on continuous improvement and technological advancement helps it navigate challenges and seize opportunities.

Porter's Five Forces model has been used to analyze the competitive industry dynamics and TTML's corporate strategy. This analysis supports the company's strategic decision-making, helping it to strengthen its competitive advantage and effectively address market challenges.

Porter’s Five Forces Analysis of TTML



1. Competition and Rivalry:

- **High Competition:** Intense rivalry from local and international players, especially Chinese manufacturers competing on price.
- **Overcapacity:** Excess spinning capacity and low-cost yarn imports drive margin pressure.
- **Differentiation Challenges:** Limited product diversification and reliance on core products make it challenging to stand out from competitors.
- **Geographically Dispersed Competition:** Dispersed mills increase competition for quality, market share, and pricing.

2. Bargaining Power of Customers:

- **High Purchaser Power:** Strong bargaining power due to alternative suppliers and competition due to the availability of alternative suppliers and intense competition.
- **Price Sensitivity and Switching Costs:** Buyers are highly price sensitive. In response, TTML offers market- competitive rates and credit.
- **Customer Relationship Management:** The company has strong emphasis on customer relationship management, consistently raising the bar for customer service.
- **Adapting to Innovation:** A competent technical department enables TTML to quickly adapt to new innovations and product advancements, effectively meeting the evolving needs of customers.

3. Bargaining Power of Suppliers:

- **Supplier Influence:** The textile industry is highly dependent on raw materials, particularly cotton, where price volatility can impact costs, but TTML mitigates through diverse sourcing.
- **Established Supplier Relationships:** Long-term relationships supplier provide the company with significant negotiating leverage.
- **Fair Supplier Onboarding:** Transparent processes with oversight ensure reliable supplier onboarding.

4. Threat of New Entrants:

- **Entry Barriers:** Significant capital investment is required for infrastructure, machinery and R&D. Therefore, chances for new participants are moderate.
- **Cost Edge:** Established players like TTML benefit from economies of scale, cost advantages, and strong existing relationships, making it difficult for new entrants to compete.
- **Brand Loyalty:** Long-standing firms hold customer trust difficult for newcomers to build.
- **Regulatory and Seasonal Risks:** New entrants face stringent regulatory requirements, seasonal risks associated with cotton yields, and setup challenges.

5. Threat of Substitutes:

- **Product Nature and Low Risk:** The nature of TTML’s products makes the risk of substitutes relatively remote, as alternatives do not significantly threaten the core business.

The Legislative and Regulatory Environment in Which the Organization Operates

TTML operates within a legislative and regulatory framework shaped by national laws, industry-specific regulations, and standards enforced by federal and provincial authorities. The company remains fully committed to strict compliance, maintaining high standards, and collaborating with relevant stakeholders to ensure ongoing adherence.

- **Corporate Governance and Compliance:** TTML comply with the Companies Act, 2017, Code of Corporate Governance and SECP regulations governing incorporation, reporting, auditing, and governance to ensure transparency and protect investors’ interests.
- **Taxation and Fiscal Policies:** Administered by the Federal Board of Revenue (FBR) and provincial tax authorities, encompassing income tax, sales tax, and duties. Incentives, levies, and import duties on raw materials and machinery significantly influence operational expenditures.
- **Labor Laws:** TTML comply with labor regulations governing employee rights, wages, health and safety, and working conditions, primarily under the Factories Act, 1934, and the Employment of Labor (Standing Orders) Act, 1968.
- **Trade Regulations:** Export-oriented companies must comply with policies of the Ministry of Commerce and TDAP, including export tariffs, quality certifications, and international trade agreements.
- **Environmental Regulations:** TTML comply with Pakistan Environmental Protection Agency and provincial authorities on pollution control, waste management, energy conservation, and resource sustainability, including adherence to National Environmental Quality Standards (NEQS).

Calendar of Corporate Events

Notable Events for The Financial Year

BOD Meeting for Approval of Annual Accounts for the year ended June 2024	09 August 2024	Corporate Briefing Session	19 November 2024
Annual General Meeting – 2024	22 October 2024	BOD Meeting for Half year ended December 31, 2024	24 February 2025
BOD Meeting for the first quarter ended September 30, 2024	29 October 2024	BOD Meeting for the third quarter ended March 31, 2025	25 April 2025

Tentative Dates for the Next Financial Year

BOD Meeting for approval of Annual Budget/Business Plan 2025-26	03 July 2025	Corporate Briefing Session	20 November 2025
BOD Meeting for Approval of Annual Accounts for the year ended June 2025	08 August 2025	BOD Meeting for Half year ended December 31, 2025	24 February 2026
Annual General Meeting – 2025	21 October 2025	BOD Meeting for the third quarter ended March 31, 2026	28 April 2026
BOD Meeting for the first quarter ended September 30, 2025	28 October 2025		

Employee Engagement Activities - Notable Events

Notable Events

Volleyball Match at Muzaffargarh	08 July 2024	Awareness Session on “Dare to Speak” on Women Forum	03 January 2025
Independence Day Celebration	14 August 2024	COD- 2 MW Solar Landhi	06 January 2025
Women Forum Launch “LeadHER” and a Session on Microaffirmations	06 September 2024	Women’s Day Celebration and Session on “Protection Against Harassment” by FOSPAH	26 February 2025
COD- 1.02 MW Solar Landhi	10 October 2024	COD- 1.082 MW Solar Kotri	25 March 2025
Cricket Match at Kotri	17 October 2024	COD- 1.78 MW Solar Muzaffargarh	16 April 2025
Awareness Session on Breast Cancer	25 October 2024		
COD- 735 KW Solar Muzaffargarh	14 November 2024		
Children Day Celebration	20 November 2024		

Strategy, Resource Allocation and Future Outlook



Strategy and Resource Allocation

From Plans to Performance

TTML is committed to shaping a brighter future through thoughtful decisions made today. Management is dedicated to revolutionizing the Company by fostering a strong organizational culture, pursuing professional excellence, and ensuring financial strength, all with the goal of maximizing returns for our stakeholders. The company's strategic objectives and plan are outlined below.

S.No.	Objectives	Priority	Timeline	Current Status	Strategy	Resource Allocation
1.	Sales growth and profitability	High	Short to Long term	Ongoing process - Targets for the year achieved.	Maximizing sales and profitability through a multifaceted strategy that includes market research, customer relationship building, product improvement, sales force training, and market expansion.	Financial Capital Human Capital Social and Relationship Capital Natural Capital
2.	Continuous improvement and digital transformation	High	Medium to long term	Ongoing process	Establish top-tier productivity standards in technology, processes, and systems by exploring IoT possibilities to increase machine efficiencies, Optimization of Inventory management and control system. Utilization of Dashboards and automation to continuously enhance our operations efficiency, and make informed decisions.	Intellectual Capital Financial Capital Human Capital Social and Relationship Capital
3.	Strengthen the company's brand	High	Medium to long term	Ongoing process	To continuously monitor and incorporate the best industry practices within the Company that contributes to the stakeholders' well-being. Upholding the highest ethical, professional, and environmental standards in all aspects of its operations. Also promote the vision of Tata Pakistan through social media channels and create awareness.	Social and Relationship Capital Intellectual Capital Human Capital
4.	Enhance skills and capabilities of employees to support value-creation	High	Short to Medium term	Ongoing process - Targets for the year achieved.	Strategically enrich employee skills and capabilities by offering a range of internal and external capacity development programs essential for fostering value creation.	Human Capital Financial Capital Intellectual Capital
5.	Build organization's sustainability reputation through increased ESG focus	High	Medium to long term	Ongoing process	Committed to sustainable practices that contribute to the betterment and long-term well-being of society. This includes environmentally conscious initiatives, social responsibility projects, and community engagement efforts.	Financial Capital Manufactured Capital Human Capital

Resource Allocation Plan	Strategy affected by	KPIs monitored	KPIs Future Relevance	Value Creation
Financial capital will support market expansion initiatives, while human capital is focused on sales force training and customer service. Relationship capital strengthens partnerships, and natural capital ensures reliable raw material supply, collectively driving sustained sales growth and profitability.	EFS regulations Resource shortages Technological changes Changes in laws & regulations	Profitability margin Improve customer satisfaction New markets	Yes	Economy of the Country, Customers & Stakeholders.
Intellectual and financial capital will be invested in advanced technologies, IoT integration, and automation. Human capital focuses on training and digital adoption, while social capital fosters collaboration, collectively enhancing productivity, innovation, and operational efficiency to achieve continuous improvement.	Technological changes Changes in market situation Resource shortages	Improved efficiency and productivity Product Quality Survey Inventory Management Optimization Fostering & monitoring of a strong digital culture	Yes	Customers & Shareholders
Intellectual Capital are allocated to research and development, technology integration, and data analytics systems supporting the brand's image as a forward-looking, sustainable leader. A skilled and motivated Human Capital is essential for executing the company's vision and upholding its values, thereby solidifying its brand integrity and securing future value. Social and Relationship Capital is directed toward community engagement, ethical sourcing partnerships, and transparent stakeholder communication enhancing the company's reputation, directly strengthening the brand's position in the market.	ESG reporting and challenges Initiatives taken in promoting and enabling innovation Changes in laws & regulations	Improvement in External Customer Relations Employee feedback on system effectiveness for improved internal support Employee Satisfaction	Yes	Shareholders, Customers & employees
The Company makes significant investments through financial capital in the training and development of its staff and executives at both local and international levels. These initiatives enhance management and technical skills, equipping employees with the latest production techniques to improve overall efficiency and effectiveness (human capital). The Company develops intellectual capital through sustained investment in modern technologies that optimize performance and enable innovation.	Resource shortages Technological changes	Skills Enhancement Employee Satisfaction Feedback on employee engagement surveys	Yes	Employees
The Company remains committed to community contribution through active CSR initiatives supported by financial capital. To enhance sustainability, innovation focuses on reducing carbon footprints and adopting technologically advanced, eco-friendly machinery (manufactured capital). Moreover, efficient techniques are implemented to minimize waste and ensure the optimal use of natural resources in manufacturing (natural capital).	ESG reporting and challenges Initiatives taken in promoting and enabling innovation	CSR and Sustainability targets Carbon Emission & Water redemption	Yes	Environment & Society

Key Resources & Capabilities, Providing Sustainable Competitive Advantage

The company's continued success and ability to stay ahead is primarily due to its exceptional team of individuals who are dedicated and committed to its values. Their hard work and contribution have been instrumental in achieving positive outcomes, even during times of uncertainty. In addition, other factors that contribute to its competitiveness include:

- Ongoing investment in modern technology
- Fostering a culture of continuous learning and collaboration
- Consistently striving to improve its products and optimize resource utilization
- Self-power generation, including renewables, reducing reliance on the national grid
- Certifications ensuring a sustainable product portfolio
- Strong ethical, professional, and environmental practices

Future Relevance

The KPIs will continue to be relevant in the future.

Significant Changes from Prior Years

There have been no significant changes to the TTML's structure, objectives, or strategies compared to the previous year.

Strategy for Market, Product & Service Development

TTML's strategy for market, product, and service development is centered on strengthening its core business by enhancing product quality, improving operational efficiency, and expanding market reach. The Company focuses on adopting advanced technologies, responding to customer needs, and exploring new channels to extend its customer base while retaining existing relationships. Operational excellence and a reliable value chain remain central to ensuring consistent product delivery and superior customer experiences. Through continuous improvement and market responsiveness, TTML seeks to sustain growth, reinforce competitiveness, and create long-term value in both domestic and international markets.

Factors Affecting the Strategic Approach & Resource Allocation

The Company's management remains confident in its strategic direction and resource allocation plan to achieve sustained progress within the industry. Nonetheless, several macroeconomic factors may directly or indirectly impact these plans. Key factors and their potential impacts are outlined below:

FACTORS	EFFECT ON STRATEGIC APPROACH	EFFECT ON RESOURCE ALLOCATION PLAN
Technological Changes: Advancements in technology create opportunities for progress but may also transform production processes, efficiency standards, and customer expectations. For TTML, this requires adapting quickly to evolving industry dynamics and market demands.	The Company has allied its strategy to remain agile in embracing innovation to align with shifting consumer needs and sustain competitiveness.	Technological adoption demands significant investment in Financial Capital for modern systems, while also requiring skilled professionals to integrate these technologies, thereby impacting Human Capital.
Sustainability challenges: Refer to external pressures arising from environmental, social, and regulatory demands that affect how businesses operate.	Sustainability challenges such as climate change, resource scarcity, and natural resource depletion pose long-term risks to the textile sector. These issues also influence customer expectations, regulatory pressures, and global market dynamics, directly impacting TTML's business strategy.	Addressing these challenges requires investments in sustainable practices, energy efficiency, and compliance with environmental and CSR frameworks. Such initiatives strengthen Social and Relationship Capital while ensuring transparency with stakeholders. However, they also place additional demands on Financial Capital.

FACTORS	EFFECT ON STRATEGIC APPROACH	EFFECT ON RESOURCE ALLOCATION PLAN
Promoting and Enabling Innovation: For TTML, promoting innovation means adopting advanced technologies, modernizing operations, and upskilling employees to strengthen competitiveness and ensure sustainable growth.	By fostering innovation, TTML strengthens its ability to respond to evolving market needs and technological advancements, ensuring long-term growth and reinforcing its competitive position in the textile spinning industry.	Innovation requires investment in advanced infrastructure, digital systems, and specialized expertise. TTML allocates significant resources to employee training and upskilling, embedding a culture of innovation and impacting both Financial and Human Capital.
Resource shortages: Disrupt operations, compelling TTML to seek alternatives, potentially raising costs, affecting product quality, and impacting profitability and financial stability.	Resource shortages may disrupt production, affecting the Company's ability to maximize sales, sustain profitability, and maintain industry leadership.	To mitigate shortages, TTML may rely on alternative suppliers or markets (Social and Relationship Capital), potentially affecting product quality and increasing costs, thereby impacting Financial Capital.

Mission, Vision, and Strategic Objective Alignment

At TTML, strategic objectives are closely aligned with the Company's mission of producing quality yarn exceeding the highest expectations of our customers through innovation, efficient operations management, and adherence to ethical standards. These objectives support the vision of becoming the textile manufacturer of choice. By aligning mission, vision, and strategy, TTML ensures operational efficiency, cost optimization, sustained growth, and long-term value creation for all stakeholders.

Internal Controls Including IT Controls

TTML has established a robust internal control framework, encompassing financial, operational, and compliance processes. The system is regularly monitored by the Internal Audit function and reviewed by the Audit Committee to ensure effectiveness. IT controls are embedded across core systems, including ERP and cybersecurity measures, ensuring data integrity, process efficiency, and risk mitigation. Continuous upgrades, independent evaluations, and staff training further strengthen TTML's governance, transparency, and internal control environment.

Significant Plans and Decisions

The management, in consultation with the Board of Directors, continues to develop capabilities to anticipate risks and formulate suitable strategies to mitigate them while formulating the strategic roadmap. The Company has broadened its business operations in the past through strategic restructuring and mergers. Considering the current economic challenges and high energy tariffs, there are no plans for any significant restructuring, expansion, or discontinuation of operations at this time, other than those mentioned in the Directors' Report and Future Outlook.

Payment of Debts

The Company ensures timely fulfillment of all debt obligations through strong operating cash flows. All payments have been made on time through sufficient operating cash flows and prudent financial management, ensuring compliance with repayment schedules.

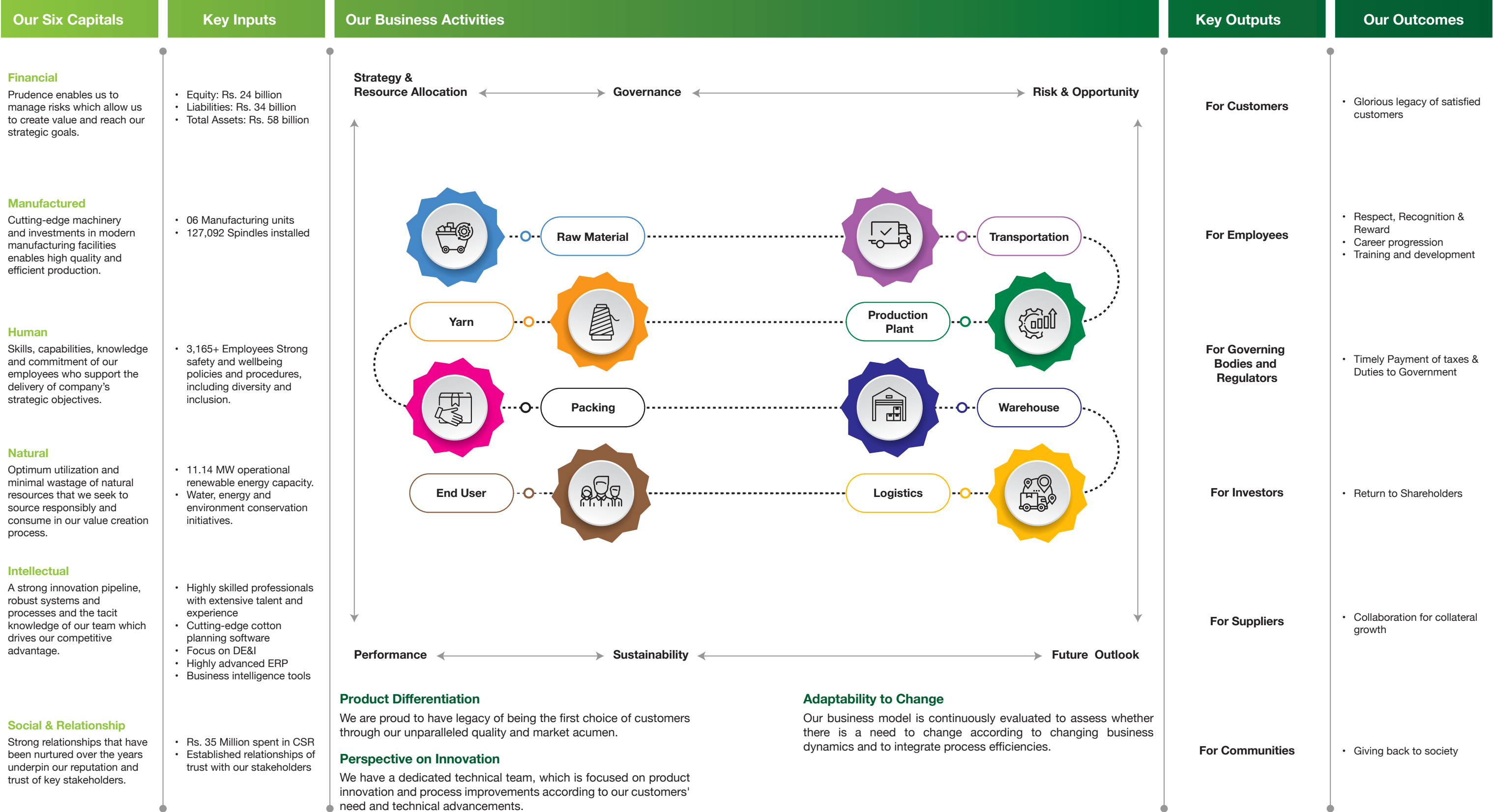
Strategy To Overcome Any Liquidity Problems

The Board has adopted a proactive liquidity management strategy, including strong banking relationships, adequate financing facilities, optimized working capital, and continuous monitoring of debt-equity ratios. These measures ensure financial stability and the capacity to manage operational challenges. The Company has cordial business relations with all the reputed banks and financial institutions of the Country. Adequate unutilized financing facilities are available at the Company's disposal. Moreover, the gearing of the Company has also been monitored and controlled in line with business objectives. The management and Board regularly monitors the debt-equity ratio and all loan covenants with banks to timely discharge its financial obligations.

Our Business Model

An Integrated Approach to Value-Creation

Anchored to our core values and aligned with our vision, our business model is designed to reflect our integrated approach to deliver enhanced value for all stakeholders and continue progress towards creating a sustainable future. There is no material change in Company's business model during the year.



Forward Looking Statement

This forward-looking statement provides stakeholders with an overview of management’s vision and strategic direction for the Company. It highlights anticipated future performance based on current plans and assumptions, while recognizing that actual outcomes may differ due to local or global uncertainties. Stakeholders are encouraged to review this statement in conjunction with the Chairman’s Reviews and Directors’ Report, the Financial Analysis section, and other relevant parts of the Annual Report to make well-informed decisions regarding their relationship with the Company.

In FY2025, Pakistan’s economy showed steady improvement under a disciplined policy framework. Support from the IMF’s Extended Fund Facility strengthened reserves and stabilized the external account, fostering improved investor sentiment and contributing to a more resilient and positive macroeconomic outlook.

Pakistan’s economic outlook remains positive, supported by ongoing reforms and improving external conditions. While geopolitical tensions and trade restrictions pose risks, they also offer opportunities to enhance export competitiveness and access new markets. Continued structural reforms under the IMF program, coupled with easing inflation and improving industrial output, positions the economy for stronger, sustainable growth, subject to effective risk management. FY 2025-26 is set for IMF-guided reforms, however uncertainties from floods, climate change, debt pressures, and global headwinds remain. Taking these factors into account, TTML enters FY 2025-26 strategically positioned for sustained growth. With a solid financial base, strong governance, skilled teams, and robust customer relationships, we remain confident in delivering high-quality yarn and maximizing long-term value for stakeholders.

In immediate horizon, rising fuel costs and energy tariffs might continue its adverse impact on company’s margins and consumers' purchasing power as demand declines. The Company’s management is confident that the substantial capital investments in renewable energy projects made this year and in previous years, will give the Company a competitive advantage. The Company remains committed to strengthening its sales performance in the coming year, while recognizing that elevated finance and energy costs are expected to continue exerting pressure on overall profit margins. The company has allocated a dedicated budget for the coming year, including Balancing, Modernization, and Replacement (BMR) projects, aimed at upgrading processes, optimizing capacity, and improving technology, to strengthen its human, manufactured, intellectual, and social & relationship capital, ensuring outcomes remain aligned with stakeholder interests. Controlling plant costs, improvement in its productivity and business process improvements will remain another significant area of focus. However, the 2025 floods in Pakistan are likely to severely impact industries by disrupting supply chains, damaging cotton crops experiencing waterlogging, hindering raw material supply, increasing production costs, and straining logistics, thereby challenging operational efficiency and impacting profitability across the sector. Heavy rainfall has disrupted cotton arrivals, forcing nearly 50% of Punjab’s ginning factories to shut down. With output anticipated to collapse from 14 million to 4 million bales in recent years, the textile spinning industry faces severe shortages, rising costs, and urgent calls for revival.

By adhering to global best practices, the Company is committed to integrating Environmental, Social, and Governance (ESG) factors into its sustainable growth strategy. While gearing up for implementing IFRS S1 and S2 standards, the focus is on fostering transparency in sustainability reporting. Key objectives include reducing emissions, increasing renewable energy portfolio, promoting sustainable practices and enhancing community engagement.

Moreover, in the medium-to-long term, the Company aspires to strengthen its versatile intellectual, manufacturing and human capital, positioning itself for future scenario. To support this vision, the Company is committed to strengthen digitalization, focusing on continued BMR of its manufacturing facilities. High-quality, reasonably priced locally manufactured yarn will differentiate the Company from its competitors and leverage its strong brand reputation. Premium customer relationships will help retain customers during the transformation.

The Company remains committed to strengthening its Human and Intellectual Capital in the face of rising living costs, economic instability, and the resulting brain drain that continues to create a talent shortage. While employee turnover presents a challenge, management is focused on retaining high-performing talent and attracting qualified professionals through structured learning, development, and career progression strategy.

Furthermore, consistent and supportive government policies, along with a stable business environment, are critical to enabling sustainable growth, enhancing export competitiveness in key sectors such as textiles, and contributing to the nation’s long-term prosperity.

Analysis of Last Year’s Forward-Looking Statement / Status of Projects

The Company plans to continue investing in BMR (Balancing, Modernization, and Replacement) of its manufacturing facilities and business intelligence solutions after the successful implementation of the revolutionary ERP system, cloud-based Oracle Fusion, the first of its kind in the spinning industry. During 2024-25, implementation of advanced barcode technology went fully live at all locations, optimizing inventory management and control. Through further development, the company is set to integrate Business Intelligence into its dashboards, planning, and processes. Strategic Digital transformation initiatives for FY 2025-26 also include the implementation of a comprehensive HR Management System (HRMS) and conclusion of Phase II of automation of bank reconciliation and few other projects.

Future Research & Development Initiatives

As the yarn spinning industry evolves, TTML is committed to pioneering advancements through strategic Research & Development (R&D) initiatives. Looking ahead, our focus will be on enhancing fiber quality and developing innovative spinning technologies to meet the growing demands of the textile market. TTML continuously invests and has further plans to invest significantly in advanced machinery and automation to improve production efficiency and reduce waste. Our technical team is also exploring new yarn blends and sustainable materials, aiming to create products that are both high-performing and environmentally friendly. Additionally, we are dedicated to implementing smart technologies such as IoT and AI to optimize production processes and ensure consistent quality control. By fostering a culture of continuous improvement and embracing cutting-edge research, TTML is poised to not only enhance our product offerings but also contribute to the sustainability and growth of the yarn spinning industry. Through these initiatives, TTML aims to strengthen its market position and deliver exceptional value to our customers and stakeholders.

Artificial Intelligence (AI) Adoption and Strategic Outlook

As part of its long-term digital transformation strategy, TTML is progressively adopting AI to enhance operational agility, strengthen decision-making, and drive innovation across its value chain. The Company has already initiated extensive training in AI technologies, particularly in advanced data analytics and process optimization. The company has allocated a dedicated budget for future trainings of staff related to AI domain and incorporated training programs on AI into its annual objectives for the upcoming year. AI-driven forecasting models are planned to deploy enabling more accurate inventory planning, production scheduling, and resource allocation.

Looking ahead, TTML plans to expand the application of AI within manufacturing operations, focusing on intelligent automation of repetitive business processes to improve efficiency and reduce costs. Initiatives under consideration include the introduction of AI-powered tools for automated documentation, such as recording meeting minutes, and the deployment of AI chatbots within the ERP system to efficiently retrieve business reports and data.

These initiatives are expected to enhance productivity, improve customer experience, and deliver cost advantages. The adoption of AI aligns TTML with global best practices, reinforces its competitive positioning, and supports long-term sustainable growth in a rapidly evolving business landscape.

Source of Information and Assumptions Used For Projections / Forecasts

The Company prepares annual budgets and forward-looking forecasts through a structured process that integrates both internal and external information sources. Projections are developed using historical data, financial trends, and assumptions drawn from macro-and microeconomic indicators, market research, industry trends, geopolitical developments, forecasts of local and international material costs, exchange and interest rate projections, and supply-demand dynamics. Policies from regulatory and taxation authorities, analyst reports, industry publications, and competitor analysis are also incorporated to ensure robust and realistic assumptions.

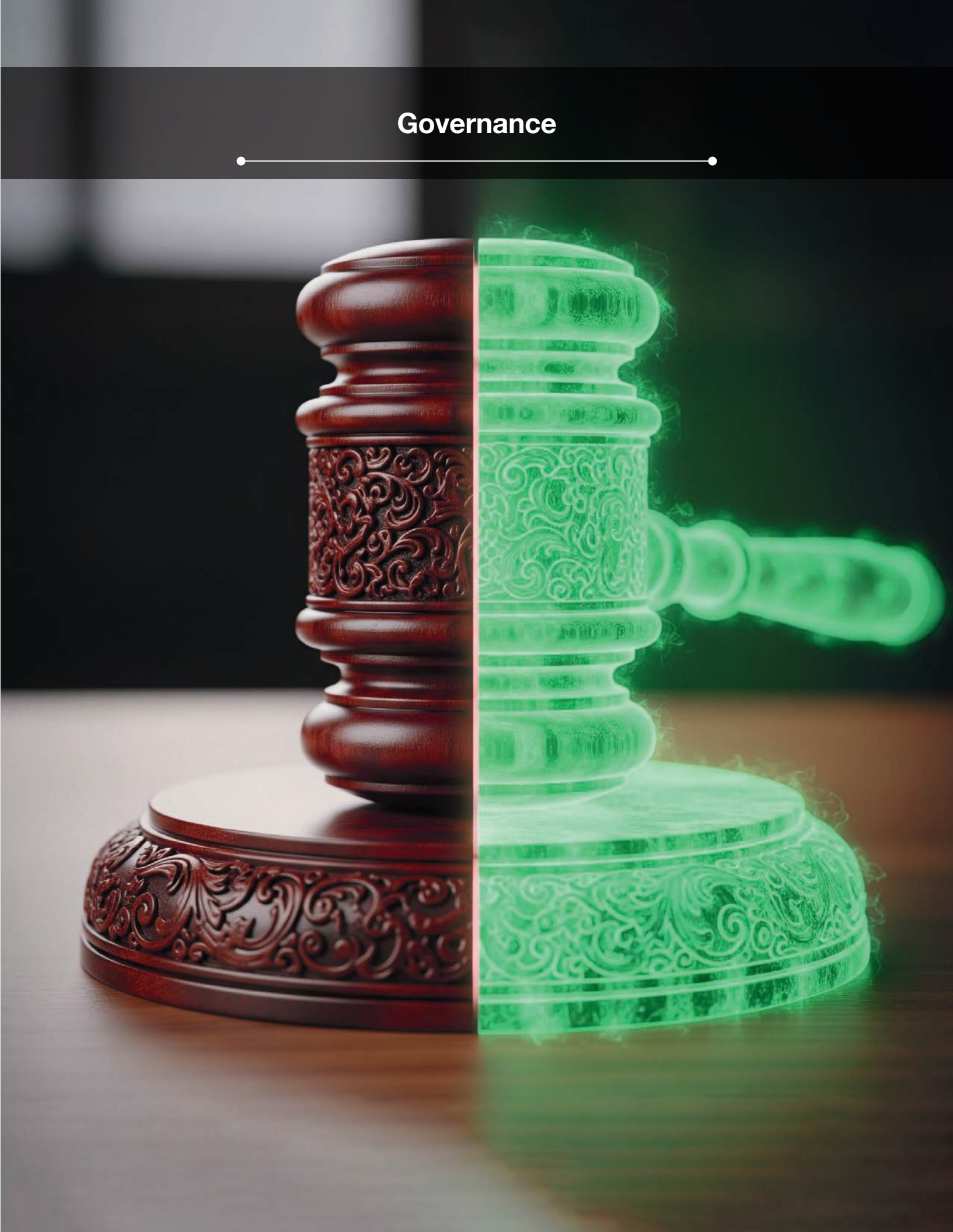
Internally, relevant information is generated from key business functions, including Sales, Finance & Treasury, Manufacturing & Operations, Human Resources, Technology & Engineering, and Information Technology. This internal data is systematically corroborated with external sources before being integrated into forecasts and formal strategic plans. These projections are reviewed and approved by the Board, ensuring alignment with corporate strategy and long-term business objectives. Both the internal and external environments are continuously monitored for changes, and necessary adjustments are made to planned forecasts accordingly.

To enhance the reliability of forecasts, the Company also engages external consultants and advisory firms, particularly for specialized feasibility studies, market assessments, and technical evaluations. This rigorous approach ensures that forecasts are based on well-founded assumptions, safeguarding shareholder interests and supporting sustainable growth.

Business Rationale For Major Capital Expenditure

The Company has fully utilized its manufacturing capacity over the past few years. The company has a systematic approach to gauge the necessity for capital expenditures. For continual manufacturing of high-quality yarn while focusing on energy conservation and natural resource preservation, the capital spending is principally focused on capacity expansion, BMR, safety, and sustainability. Extensive financial analysis is carried out ahead of any capital expenditures, including payback period, NPV, IRR, cash flow requirements, and other financial analysis tools.

Governance



Directors Report
For The Year Ended June 30, 2025

The Board of Directors is pleased to present the Directors’ Report and the audited Financial Statements of the Company for the year ending June 30, 2025.

With great gratitude we would like to share that our Annual Corporate Report for 2023 received the “1st position” for Best Corporate Reporting (BCR) in the Textile Category in BCR awards jointly organized by the Institute of Chartered Accountants of Pakistan and the Institute of Cost and Management Accountants of Pakistan.

Economic Environment

Pakistan’s economy showed signs of recovery in FY 2025, recording 2.68% GDP growth, supported by macroeconomic reforms under the US\$7.0 billion EFF program with the IMF and improved fiscal and external positions. the fiscal deficit reduced to 3.2% of GDP during Jul-Apr FY2025 from 4.5% last year, tax revenues rose 25.9% in Jul-May FY2025, and current account balance posted a deficit of US \$103mn in May-2025, bringing the 11MFY25 current account surplus to US \$1.8bn. The resilience of reserves, despite ongoing debt repayments, was supported by a stronger current account position, controlled import demand, and sustained remittance inflows. These efforts anchored market expectations, stabilized the exchange rate, and enhanced confidence in the economy and domestic currency. This resulted in improved investor sentiment, reflected in the Pakistan Stock Exchange (PSX) reached a historic milestone, with the KSE-100 Index peaking at an all-time high of 125,627 points as on June 30, 2025, whereas it reached 139,462 points as on July 28, 2025.

The Large-Scale Manufacturing sector demonstrated a decline of 1.21% during July-May FY 2025, as compared to a growth of 0.99% in the same period last year. Ongoing Middle East and Russia-Ukraine conflicts delayed shipments and raised import costs. Furthermore, US-China trade tensions intensified competition and squeezed regional spinners’ margins. Moreover, escalating tensions between India and Pakistan, along with water disputes, created uncertainty and posed a strategic risk to national stability, adversely impacting investor confidence and placing additional pressure on business continuity and operations. During the FY 2025, Pakistan’s monetary policy remained adaptive and data-driven, balancing inflation control with economic recovery. After maintaining the policy rate at 22% for nearly a year, the State Bank of Pakistan began a measured easing cycle in June 2024, supported by declining inflation, improved external accounts, and stronger macroeconomic fundamentals. By May 2025, the policy rate had been reduced to 11%, reflecting growing confidence in economic stabilization. The Consumer Price Index-based inflation clocked in at 3.2% on year-on-year basis in June 2025 as compared to 12.6% in June 2024. These developments allowed the central bank to maintain its medium-term inflation target of 5-7%.

Textile Sector

Pakistan’s textile sector export grew by 7.37% during July-May FY 2025, reversing an 8.8% contraction in the same period last year. Pakistan’s textile sector, accounting for 55.4% of total exports, remained robust with Textile shipments recorded at US \$16.37 billion out of total exports worth \$29.56bn, during July- May FY 2025. Strong global demand and export orders redirected from Bangladesh due to labor unrest also benefited local producers, driving growth in ready-made garments and knitwear, while cotton yarn exports declined, by 32 percent in both value and quantity, highlighting the need for structural reforms and competitiveness.

Challenges such as increasing electricity costs, expensive low-quality local raw materials, comparatively high interest rates, change in tax policy such as the shift from the Final Tax Regime to the Minimum/Normal Tax Regime and delays in tax refunds existed during the year. Energy is a fundamental input for almost all manufacturing industries. Pakistan's industrial tariff hikes stem from circular debt, IMF conditions, rising global fuel costs, and high transmission and distribution losses. These increases raise production costs, slash profit margins, and erode competitiveness. The decline in demand for locally produced cotton yarn is primarily due to the withdrawal of the Export Facilitation Scheme (EFS) for local spinners. The objective of Export Facilitation Scheme (EFS) was to boost exports by allowing exporters to buy raw materials and input duty-free and sales tax-free so they can be more competitive in the international market by reducing the cost of their input. However, a significant change was made in the FY25 budget, where the sales tax exemption on local supplies for export manufacturing was withdrawn. This led exporters to import duty- and tax-free yarn instead of purchasing domestically produced yarn subject to 18% sales tax, thereby also increasing pressure on foreign exchange reserves.

Raw Material

Pakistan’s cotton production continues to face significant challenges, with production in 2024-25 again declining to 5.6 million bales, mirroring the low output of 2020-21. This sharp drop, following a temporary recovery to 8.6 million bales in 2023-24, highlights the sector’s vulnerability to erratic weather patterns, delayed sowing, and limited availability of quality inputs. Unprecedented rains disrupted sowing and harvesting, aggravating cash flow and recovery issues. Record rainfall, according to the Pakistan Meteorological Department, highlighted the impact of global climate change on the country. Pakistan’s cotton requirement stands at approximately 14 million bales annually, forcing the textile industry to rely heavily on imports, further straining foreign exchange reserves.

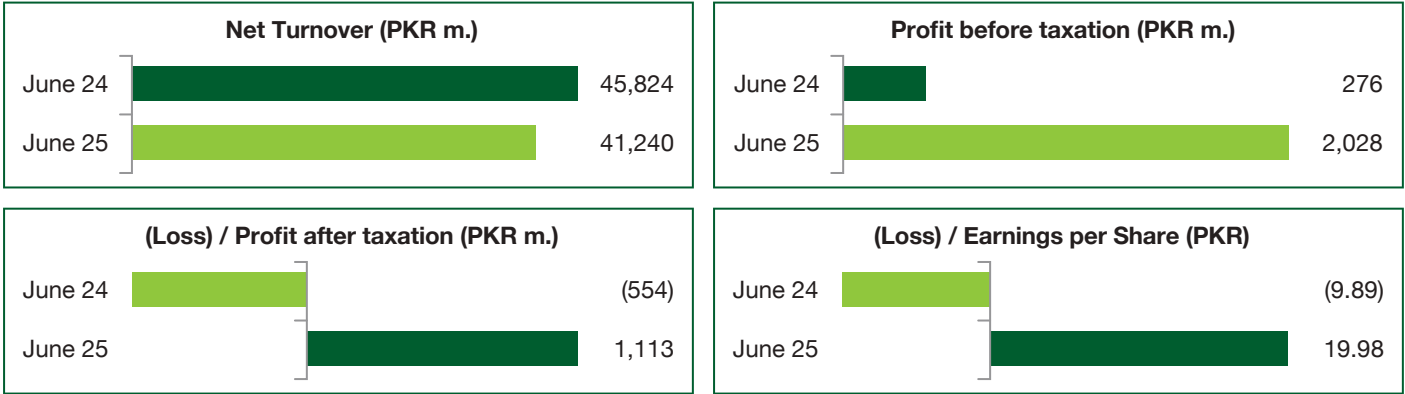
While neighboring countries like India have steadily increased their yields and improved cotton quality, Pakistan continues to face a decline in cotton output primarily due to poor seed quality and the absence of coordinated initiatives to address this critical issue. Challenges such as inconsistent fiber characteristics, high moisture content, contamination, and bale-to-bale variation persist. Strengthening research and development to enhance seed quality is essential to revitalizing cotton production, ensuring sustainability of the textile value chain, and safeguarding economic resilience.

Cost of Energy

Electricity and fuel expenses constitute a substantial portion of spinning mills’ operational costs. Over the past few years, the industry has experienced frequent tariff hikes, at rates that far exceed those in competing regional economies such as India, Bangladesh, and Vietnam. This disparity puts Pakistan’s yarn producers at a disadvantage in export markets, where price sensitivity is high and margins are thin. In anticipation of future energy challenges, the Company is proactively employed alternative energy solutions to reduce dependency on natural gas and manage electricity costs more effectively. A key step in this direction is the implementation of a total of 11.13 MW solar power plants at its manufacturing sites, which supports clean energy goals while lowering the Company’s carbon footprint. Ensuring a stable and affordable power supply remains critical to maintaining the competitiveness of the export-oriented textile sector and safeguarding operations against energy-related disruptions.

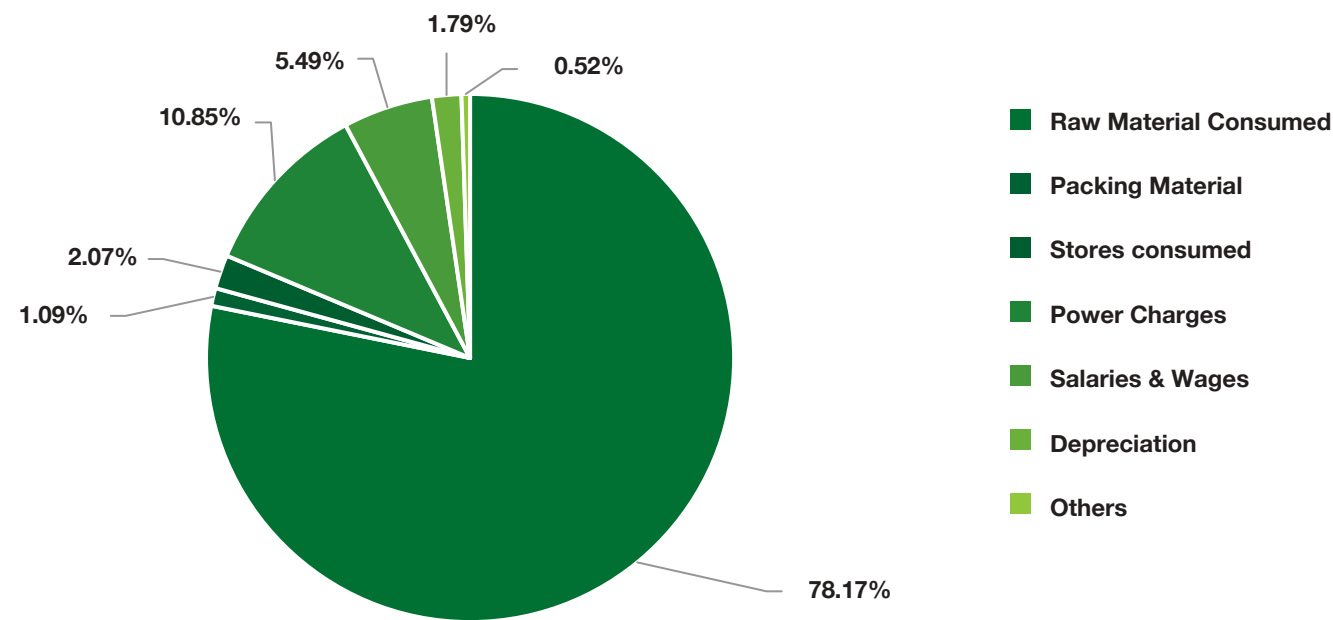
Financial Performance

Particulars	Year ended June 30, 2025	Year ended June 30, 2024	Variance	Variance %
----- Rs. in million -----				
Sales	41,240	45,824	(4,584)	-10.0%
Cost of Sales	38,949	42,486	3,537	8.3%
Gross Profit	2,291	3,337	(1,046)	-31.3%
Distribution, Admin & Other expenses	1,439	1,143	(296)	-25.9%
Finance Cost	3,610	4,497	887	19.7%
Other Income	4,786	2,579	2,207	85.6%
Profit before taxation	2,028	276	1,752	634.8%
Profit/ (Loss) after taxation	1,113	(554)	1,667	300.9%
Earnings/(Loss) per Share	19.88	(9.89)	29.77	301.01%



During FY 2024–25, sales declined by 10%, while gross margins reduced by 31% compared to the corresponding period last year. The decline in sales of the company is primarily due to the withdrawal of the Export Facilitation Scheme (EFS) for local spinners, where the sales tax exemption on local supplies for export manufacturing was withdrawn. This led exporters to import duty- and tax-free yarn instead of purchasing domestically produced yarn subject to 18% sales tax.

Below is the breakup of manufacturing cost:



Raw materials accounted for 78.17% of the total cost of goods manufactured, while electricity accounted for 10.85%. To effectively manage raw material costs, the Company prioritized an optimized blend of local and imported cotton. However, limited availability of local cotton, coupled with declining quality and reduced yields, adversely affected profitability. As a result, reliance on expensive imported cotton increased, exerting pressure on both margins and working capital requirements. The increased power tariffs and minimum wage contributed to the increase in the cost of goods sold. During FY 2024-25, energy costs increased by 21% compared to the same period last year, primarily driven by higher prices of natural gas, furnace oil, and electricity from the national grid. The price of natural gas rose from Rs. 3,000 to Rs. 3,500 per MMBTU, alongside the imposition of levy and unpredictable gas supply curtailments, significantly escalating power generation costs. These factors contributed to the loss from business operations. Finance costs declined by 20% to Rs. 3,610 million, from Rs. 4,497 million in SPLY, due to dropping interest rates. Other Income which includes dividend income, Profit on Investment Government T-bills, realized gain from sale of investment in listed securities and unrealized gain from investment in listed securities, provided a considerable contribution of Rs. 4,786 million, significantly enhancing the Company’s financial position. As a result, profit after tax increased to Rs. 1,113 million, reflecting a growth of approximately 301%.

Dividend

In view of the pressure on margins, along with the Company’s working capital requirements and overall liquidity position, the Board of Directors has deemed it prudent not to declare dividend for the financial year ended June 30, 2025.

Auditors

The present External Auditors M/s Yousuf Adil, Chartered Accountants have completed the annual audit for the year ended June 30, 2025, and issued an unqualified audit report. The auditors will retire at the conclusion of the Annual General Meeting of the Company and being eligible, have offered themselves for reappointment. As proposed by the Audit Committee, the Board recommends their appointment as auditors of the Company for the year ending June 30, 2026.

Information Technology (IT)

Leveraging the advanced capabilities of Oracle Fusion ERP, the Company continued to optimize end-to-end processes, enabling real-time data insights, improved decision-making, and reduced manual interventions across functions. Key achievements included successful implementation of the Supplier Relationship Management (SRM) Portal, accompanied by comprehensive training for employees and suppliers. This initiative streamlined operational workflows and enhanced invoice processing, vendor engagement and reduction in paper usage. Further digital advancements included the implementation of barcode systems, business intelligence dashboards, and completion of Phase I of automation of bank reconciliation (MT-940), resulting in significant time savings and improved operational efficiency. HR processes such as hiring trackers and talent mapping were digitalized via Google Looker Studio, while L&D introduced QR-based assessments and feedback. In FY 2024-25, the Company upgraded its network infrastructure, significantly improving internet speed, performance, and reliability. Paper usage was further reduced through digital workflows. Robust cybersecurity measures including password policies, firewall protections, and strict access controls, safeguarded the Cloud-based ERP environment.

Human Resources (HR)

In FY 2024-25, the HR function remained instrumental in driving operational excellence and aligning human capital strategies with the company’s vision, build on the foundations of digital transformation.

- Talent Management

HR ensured timely, merit-based hiring through continuous review of organizational needs. Succession planning and internal mobility were reinforced, while the Management Trainee Program nurtured future leaders across key business areas. The company participated for the first time in the annual Mercer Total Remuneration Survey with the aim of supporting informed decision-making around compensation and benefits. The organization proudly recognized 70 employees with Long Service Awards, honoring those who have completed 15 or more years of dedicated service.

- Learning & Development (L&D)

L&D remained a central pillar in upskilling employees across all levels throughout the year. Implementation of a well-structured New Employee Orientation (NEO) process, with the aim of introducing our new hires and making them productive as quickly as possible. A total of 7,133 hours of structured training and 19,215 hours of on-the-job learning were delivered to staff and mill workers respectively. Programs covered a range of technical, compliance, and behavioral competencies. In continuation to last year, strengthening financial literacy program remained a focus area with quarterly awareness sessions as well as execution of “Maali Agahi” program for our mills’ workers. Well-being, inclusiveness, and staff engagement were promoted through sports, cultural celebrations, health awareness sessions, and special events such as Women’s Day featuring expert-led discussions on workplace safety and inclusion.

Sustainability and Social Impact

The company's approach to sustainability is holistic, integrating environmental stewardship, social responsibility, and robust governance (ESG) frameworks into our corporate philosophy. Guided by a purpose-driven approach, a range of initiatives were taken during the year:

- Skills & Education

- Funded 3 campuses of fully equipped schools in collaboration with The Citizen’s Foundation (TCF) impacting lives of 450+ students from rural areas.
- The ‘Jugnoo Sabaq’ program continued to build literacy among underprivileged workers, raising the rate to 93%.
- Provided higher education assistance to 6 deserving students.
- Provided scholarships to 3 deserving textile students to pursue higher education.
- to bridge the gap between industry and academia, inducted 8 fresh graduates as trainees and provided internship opportunities to 10 students.

- Well-being

- Maintaining fully furnished and well-equipped gyms at its manufacturing facilities to promote fitness and physical well-being among employees.
- Borne 47 funeral expenses of employees/workers and workers’ dependents to extend support in times of grief.
- Fostering health & safety culture by providing a total of 207 training hours on HSE and conducting risk assessment of all areas.

- Combat against Climate Change

- Generating annual 10,393+ MWHs of electricity through Renewable energy source.
- Achieved CO₂ emission savings of 128,941 metric tons including scope 1 & scope 2.
- 379+ trees planted around the manufacturing facility.
- Automation to reduce paper usage, efficient water management, and use of sustainable raw materials like BCI Cotton and GRS-certified fibers.

- Social Responsibility

- Provision of clean and filtered water within its facilities and to nearby locals and encouragement of education of underprivileged and special children.
- Organized health and awareness drives, including heat relief camp, A Tuberculosis (TB) screening camp, a general medical camp and blood donation drives.

- Diversity, Equity and Inclusion

- The Company reinforced its commitment to diversity, equity, and inclusion through a GDEIB-based scan. Based on this assessment, a detailed action plan has been approved, outlining measurable goals for fostering greater diversity and inclusive representation at all levels.
- To promote fair hiring, the Company adopts inclusive recruitment practices such as outreach through diverse job boards, blind screening processes, and representation from diverse interview panels. The Management Trainee program continues to play a critical role in improving women’s participation in the workforce.
- A gender pay gap analysis resulted in mean disparity of -0.4%, indicating that women are equitably compensated across the organization. Whereas there are more men in higher paying roles, hence the median gender pay resulted in 8.5%.
- Differently abled people make up 2% of the workforce at our mills, reinforcing our efforts to create an accessible and inclusive environment for all.

Sustainability-Related Risks & Opportunities

TTML is subject to a broad spectrum of ESG-related risks that can affect our financial performance, stakeholder confidence, and license to operate.

- Environmental Risks

- Water Usage, Pollution, Waste Management, and Carbon Emissions: Climate change, water scarcity, air and water pollution, and increased scrutiny on industrial emissions pose challenges to sustainable operations.
- Inability to Adapt to Evolving Standards: Falling behind in sustainability practices may impact on our Social and Relationship Capital, impacting stakeholder trust and long-term viability.
- Resource Scarcity: Shortages of critical inputs such as cotton or energy may impact production volumes and financial targets. Sourcing alternatives may compromise quality and profitability.

- Social Risks

- Labor Practices and Human Rights: Risks related to unsafe working conditions, non-compliance with labor laws, and violations of human rights can affect operational continuity and brand equity.
- Health and Safety: Inadequate health and safety measures can lead to workforce disruptions, accidents, and liabilities.

- Governance Risks

- Regulatory Compliance and Supply Chain Oversight: Non-compliance with governance standards or lack of visibility in the supply chain can result in legal consequences and reputational losses.
- Adaptability to rapid changes in environmental regulations, such as carbon pricing, emissions restrictions, and waste management laws, can increase operational costs and require significant investment in compliance. Failure to adhere to environmental regulations may result in reputational damage, legal actions, and financial penalties.
- Transparency and Stakeholder Trust: Limited oversight or reporting on social impacts may reduce investor confidence and restrict access to responsible capital.

- Sustainability-Related Opportunities

- Despite the risks, TTML considers sustainability as a powerful avenue for growth, innovation, and competitive advantage.
- Sustained Competitive Advantage- Commitment to ESG principles enhances stakeholder confidence, mitigates financial volatility, and ensures long-term profitability.
 - Market Differentiation- Adoption of eco-friendly manufacturing practices positions TTML as a responsible brand, enabling access to premium markets and fostering customer loyalty.
 - Innovation and Efficiency- Embracing sustainable technologies fosters continuous innovation, process improvements, and cost efficiencies that enhance resilience and adaptability.
 - Regulatory Readiness- Proactive sustainability integration ensures compliance with evolving local and international regulations, reducing legal exposure.
 - Management and Mitigation Strategies- TTML integrates sustainability into its core operations through targeted initiatives, strategic investments, and institutionalized risk management.

Health, Safety & Environment (HSE)

The Company received a “Recognition Award” for Best Practices in Occupational Safety, Health, and Environment for the year 2023, as conferred by the Employers’ Federation of Pakistan. As of June 30, 2025, 285 million safe man-hours were recorded. HSE priorities included regulatory compliance, hazard control, and risk mitigation, guided by a comprehensive HSE manual and supported by competent teams, regular audits, and employee training. Sustainability efforts focused on energy and water conservation, waste reduction, and NEQS compliance. The Company maintains international certifications including ISO (OHSAS, Environmental), Oeko-Tex, GOTS, OCS, GRS, and RCS, and partners with initiatives such as the Better Cotton Initiative, AMFORI-BEPI, Cotton Made in Africa, and US Cotton Trust Protocol, underscoring its commitment to safety, quality, and sustainable operations.

Credit Rating

In May 2025, the company maintained its stable and favorable credit rating of 'A' for Long-Term and 'A1' for Short-Term same as last year, from PACRA. The rating agency’s assessment, categorized as "Stable," reflects the company's strong creditworthiness and its robust capacity for timely repayment.

Contribution to the National Exchequer

During the year 2024-25, the Company contributed PKR 4.24Bn towards the National Exchequer by means of Government taxes compared to PKR 3.49Bn in FY 2023-24.

Adequacy of Internal Financial Control

The Board of Directors has employed an articulate paradigm of internal financial controls, promoting the culture of moral conduct and ethical obligation within the Company’s systems and processes. Financial Controls are periodically reviewed to ensure these remain effective and are updated with amendments to any laws and regulations.

Change in the Nature of Business

No significant changes have occurred during the year concerning the nature of the business of the Company.

Financial Data and Graphs

Highlights of the operating/financial data and graphs are presented in this Report.

Principal Risks and Uncertainties

A detailed report on the Company’s risk management philosophy, governance, and key risks and opportunities are presented in this Report.

Corporate Governance Matters

All matters pertaining to Policy, Board and Governance are addressed in the Corporate Governance Section and considered to be part of the Directors’ Report.

Chairman's Review

The Directors of the Company endorse the contents of the Chairman’s Review, which is deemed to be a part of the Directors’ report.

Future Outlook

While the global economy has shown signs of stability and moderate recovery, vigilance remains vital amid persistent geopolitical tensions and inflationary divergence across major economies, highlighting the need for coordinated policy responses. Ongoing conflicts in the Middle East and Russia-Ukraine has delayed shipments and inflated import bills for critical inputs, coupled with fluctuating global inflation, continue to influence commodity prices, leading to potential currency depreciation and rising production costs in Pakistan. The prolonged US-China trade tensions, initiated by tariff impositions during the Trump administration, have created global trade uncertainties.

Pakistan’s economy commenced FY2025-26 on a positive trajectory, but sustaining growth requires structural reforms, alongside addressing high taxation and elevated power costs. In the Annual Budget Speech 2025, the withdrawal of imported yarn from the EFS and the imposition of 18% sales tax was announced. The corresponding SRO was released on August 05, 2025, and its implementation is expected to advantage the domestic spinning industry by providing a level playing field. The Finance Bill 2025 grants expanded powers to FBR officers, raising concerns over potential misuse and impact on compliant businesses, while lacking incentives for industrial growth, creating uncertainty among stakeholders.

The Company remains committed to focusing on profitability from operations and operations excellence. In strategic discussions, management places strong emphasis on leveraging Artificial Intelligence (AI) and technological advancements responding to dynamic market conditions and pursuing new avenues for sustainable growth. In alignment with these priorities, the Company continues to invest in plant modernization (BMR) and digital transformation initiatives to ensure efficient operations. Looking ahead, major digital transformation initiatives for FY 2025-26 include the implementation of a comprehensive HR Management System (HRMS), BI enabled Dashboards and conclusion of Phase II of automation of bank reconciliation. The company’s focus will remain on optimizing inventory levels and improving the trade receivables cycle to address liquidity challenges and enhance cash flow efficiency. As a responsible corporate entity, the company is firmly committed to upholding the highest standards of governance.

Acknowledgment

The Board of Directors extends its sincere appreciation to all employees for their commitment, resilience, and dedication in navigating the year’s challenges. We also gratefully acknowledge the continued support of our valued customers, suppliers, financial partners, and shareholders, whose trust and confidence have been instrumental to the Company’s sustained progress and success.

For and on Behalf of The Board of Directors


Shahid Anwar Tata
Chief Executive


Adeel Shahid Tata
Director

Karachi:
Date: August 08, 2025



Chairman's Review Report

Dear Stakeholders,

It is my privilege to present the Chairman's Review for Tata Textile Mills Limited for the financial year ended June 30, 2025.

Economic & Industry Overview

The year under review reflected a gradual improvement in Pakistan's macroeconomic indicators, supported by relative exchange rate stability, a gradual easing of inflationary pressures, a decline in the policy rate, and improved external account management. Inflation fell to an average of 3.2% in June 2025, while the State Bank of Pakistan reduced the policy rate to 11%, providing some relief to the business environment.

Despite these improvements, the spinning sector continued to face significant challenges, including high and volatile energy costs, low-quality and expensive domestic raw cotton, increasing wage bills, and supply chain disruptions caused by geopolitical instability and shipping route blockages. Policy changes, such as the withdrawal of zero-rating under the Export Facilitation Scheme and a shift to the Normal Tax Regime, have further impacted cost competitiveness. Stability and consistency in government policy remain essential for long-term sectoral growth.

Company Performance & Strategic Direction

In this environment, Tata Textile Mills maintained its position among Pakistan's leading spinning units through a strong focus on quality, operational efficiency, and customer relationships. The Board of Directors provided strategic oversight, enabling the Company to navigate market volatility while remaining aligned with our mission—to exceed customer expectations by producing premium yarns for export-quality textile products.

Our vision is to be recognized globally for integrity, commitment to quality, and ethical business practices. This alignment between mission and vision ensures that our resources are directed towards sustainable, long-term value creation.

Governance & Board Effectiveness

During the year, the Board conducted its annual self-assessment, which confirmed satisfactory performance and identified areas for continuous improvement. The Board's active role was reflected in key decisions, including:

- Approval of major capital expenditure projects.
- Review and approval of quarterly and annual financial statements.
- Oversight of internal audit findings and Audit Committee recommendations.
- Appointment of external auditors.
- Monitoring of related party transactions to ensure transparency and compliance.

The Board remains committed to the highest standards of corporate governance, ensuring accountability, transparency, and protection of stakeholder interests.

Sustainability & Responsibility

Sustainability continues to be embedded in our strategic priorities. We recognize that responsible business practices may affect short-term financial outcomes but are essential for long-term success. Our Environmental, Social, and Governance (ESG) and Corporate Social Responsibility (CSR) initiatives are integrated into day-to-day operations, with quarterly reporting to track progress against defined objectives.

We continue to invest in:

- People – by fostering a safe, inclusive, and skill-oriented workplace.
- Processes – by improving operational efficiency and product quality.
- Technology – by adopting modern solutions to enhance productivity and reduce our environmental footprint.

Risk Management & Internal Controls

A robust internal control environment underpins our operations. The Board, assisted by the Audit Committee, regularly reviewed the adequacy and effectiveness of controls, including risk management systems. Internal audit reviews, coupled with independent external audits, ensured that identified gaps were addressed promptly, thereby safeguarding the Company's assets and operational integrity.

Acknowledgments

On behalf of the Board, I extend my gratitude to our shareholders, customers, suppliers, and employees for their trust and commitment. Your continued support strengthens our resilience and inspires us to pursue emerging opportunities with innovation and discipline.

We remain focused on enhancing shareholder value through prudent management, sustainable growth strategies, and unwavering dedication to excellence.

Warm regards,
Mazhar Valjee
Chairman
Karachi – August 8, 2025

CEO's Message



Assalam-o-Alaikum,

I trust this message finds you well and in good spirits. We have always believed that strong brands are built on trust, purpose, and progress. The fiscal year 2024–25 has been a year of challenges and resilience for the Country. Macroeconomic indicators were improving, however, the overall business environment remained challenging particularly for the textile spinning segment with rising operating costs, high power tariffs, finance cost and increased competition from sales tax-free imported yarn, posing a significant pressure on domestic yarn manufacturers. Despite these persistent circumstances and global uncertainties, we demonstrated resilience and emerged stronger through challenging times. Our continued focus on sustainability, digital transformation, and operational excellence has strengthened our ability to adapt and innovate.

Our progress continues to earn recognition beyond our organizational boundaries, reflecting our strong commitment to progressing our ESG agenda. With great gratitude, I share that TTML's Annual Corporate Report 2023 is awarded 1st position for Best Corporate Reporting (BCR) in the Textile Category, in the prestigious awards jointly organized by the Institute of Chartered Accountants of Pakistan and the Institute of Cost and Management Accountants of Pakistan. This recognition reaffirms our commitment to transparency, purposeful action, and the highest standards of governance, motivating us to continue strengthening our practices across all aspects of the business.

Moreover, it is with great delight that I share TTML has been awarded Diamond Recognition for EFP 3rd Skills Development Employers' Recognition Award 2024-25 in the On-the-Job Training & Centre Industry-Academia Linkage Category, held by Employers' Federation of Pakistan.

Staying true to the Company's vision and mission, TTML's management emphasized quality, strong ethics, and operational efficiency as key drivers. During FY 2024–25, sales declined by 10% due to ongoing economic challenges of Export Facilitation Scheme. Further, higher energy, labor, and finance costs contributed to the overall increase in expenses. However, through diligent investment in listed securities the Company achieved profit after tax improving to 2.7% compared to a net loss of -1.21% in FY 2023–24. Looking ahead, consistency and clarity in government policies will be crucial for enabling businesses like TTML to operate effectively and optimize operations.

We have made significant progress in accelerating our ESG agenda, attesting to our deep commitment to achieving sustainability leadership against the backdrop of evolving stakeholder expectations and unprecedented changes in the natural environment. TTML's business is rooted in strong ethics, responsibility, and commitment to community well-being. Guided by ESG principles, we advanced renewable energy initiatives, including the successful commissioning of 6.63 MW during the year, bringing the total solar-powered capacity to 11.14 MW, while continuing CSR efforts in education, women's empowerment, health and safety, and environmental conservation.

By embracing modern technologies and advancing our ESG commitments, we are building a strong foundation for long-term value creation, ensuring TTML delivers lasting benefits to its stakeholders, society, and the environment. The Company further strengthened its digital infrastructure by successful implementation of the Supplier Relationship Management (SRM) Portal, completion of Phase I of automation of bank reconciliation (MT-940), implementation of advanced barcode technology for inventory management, real-time dashboard reporting and is in process to integrate Business Intelligence into its planning and processes.

I would like to extend my sincere appreciation to our dedicated team for their commitment to driving the strategic aspirations of the Company. Their perseverance, passion, and determination have been instrumental in enabling TTML to reach new milestones.

I extend my sincere appreciation to all our stakeholders for their firm support during these challenging times. Looking ahead, TTML remains dedicated to strengthening its presence in the textile industry and is well positioned to seize the opportunities that lie before us. We will continue to drive innovation, foster stronger customer relationships, and pursue sustainable growth strategies that deliver long-term value for our shareholders. Our commitment to excellence is focused not only on sustaining performance but also on deepening and expanding the partnerships we share with our stakeholders. Together, we will strive for greater achievements and continued growth.

Shahid Anwar Tata
Chief Executive

Directors' Profile

Mr. Mazhar Valjee - Chairman Independent Director

Mr. Mazhar Valjee has been associated with the House of Habib (HOH) where he has served as CEO of Indus Motor Company Ltd, Thal Limited, Pakistan Jute and Synthetics Limited, Habib Metro Pakistan (Pvt) Limited, Makro Habib Pakistan Limited and continues in the role of a group Director.

Outside HOH Mr. Valjee has served as CEO and Country Head of Schneider Electric Pakistan and is currently a Director on the Boards of Pakistan Cables Limited, Dynea Pakistan Ltd, Habib Metro Pakistan Ltd and Tata Best Foods Limited.

He has been an active member of The Indigenization Committee of the Engineering Development Board, the Energy Committee of OICCI, The Pakistan Jute Mills Association, Pakistan German Business Forum, Pakistan France Business Alliance and Young Presidents Organization. His association with Non-Profit organizations includes National Skills University, Family Educational Services Foundation (Deaf Reach), KIRAN Patients Welfare Society and The Hunar Foundation.

Mr. Valjee acquired business education from IBA Karachi and executive education from the Stanford-NUS program and from the Yale School of Management.

He has been on the Board of Tata Textile Mills Ltd since July 24, 2020

Mr. Shahid Anwar Tata - Chief Executive

Mr. Shahid Anwar Tata holds a Bachelor's degree in Commerce and has been with the family Textile Spinning business since Graduation. He is serving as Director and CEO of Tata Pakistan which comprises of independent public listed spinning mills and a food processing business.

With over 40 years of experience and untiring efforts have helped him to acquire deep insight and expertise in export and manufacturing activities. He has played a key role in making the brand name "TATA" renowned both locally and internationally.

Mr. Shahid Tata constantly strives to inspire his team of professionals in embracing modern technology for greater efficiency, and produce quality products, while maintaining fair and equitable dealing towards employees and workers.

He plays an instrumental role in contributing to the textile educational segment of Pakistan by serving on the Board of Governors at the Textile Institute of Pakistan (TIP) and as a Vice Chairman of the National Textile Foundation, Pakistan. (NTF)

Having a strong desire to give back to society, he is actively involved in philanthropy and supports many institutions in the health and education sectors, such as Aga Khan University Hospital, Indus Hospital, The Citizen Foundation, Pakistan, besides several other Welfare & Educational projects. Mr.Shahid Tata's dedication to the Textile Industry, education and Philanthropy showcases his commitment to making a positive impact on society. His leadership at Tata Pakistan has not only led to the success and growth of the Company but also to the development of future generations of textile professionals in Pakistan.

Mr.Shahid Tata is also a Member of the YPO Gold Pakistan which is a leading organization for CEOs worldwide.



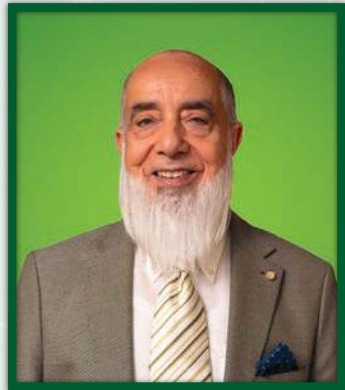
Mr. Tayyeb Afzal - Independent Director

Mr. Tayyeb Afzal is a distinguished executive with over 45 years of experience across multiple sectors and geographies. His expertise spans financial services, manufacturing, and professional services, with a strong focus on risk governance, leadership, financial management, and strategic planning.

As Pakistan's first corporate leader to hold the Qualified Risk Director designation from The DCRO Institute, he champions corporate governance and risk management best practices. He has served as an independent director, business advisor, and mentor, fostering talent and sustainable business growth.

Mr. Afzal has significantly contributed to public and private sector organizations, leading audit committees and optimizing financial performance. His expertise in IPO planning, M&A, and due diligence highlights his strategic insight and operational excellence. With experience in the U.K., Canada, and various Middle Eastern countries, he brings a global perspective to his roles. His deep understanding of diverse cultural and business landscapes enables him to navigate complex challenges and drive value across organizations.

Mr. Afzal is a Fellow of the Institute of Chartered Accountants of England & Wales (ICAEW) and The Association of Chartered Certified Accountants of the UK.

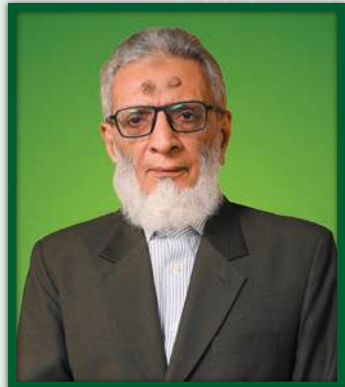


Mr. Farooq Advani - Independent Director

Mr. Farooq Advani brings with him over 49 years of experience in business and financial management in the Textile manufacturing, Power and Food businesses. He is a Fellow Member of the Institute of Chartered Accountants of Pakistan (ICAP).

He worked for thirty years with Tata Pakistan in the areas of Accounts, Corporate Affairs, Sales Tax, Income Tax, HR, IT, Cost & Budget and Insurance. He has also served as the Director on the Board of Listed & unlisted Companies, Company Secretary, Chief Financial Officer, Head of Cost & Budget, Head of Information Technology and Project director of ERP Implementation.

He has Core Competencies in Financial Analysis, Audit Compliance, Internal Control, Operating and working Capital Management, Cash-flow Management and Modeling, Business Valuation, Cross Functional Team Leadership and Decision Making & Risk Analysis.



Mr. Adeel Shahid Tata - Director

Mr. Adeel Shahid Tata holds an undergraduate degree from the USA and boasts more than 17 years of adeptly overseeing textile enterprises. Infusing the group with a fresh approach to management, he stands out as a dynamic and impassioned professional who revitalizes the business landscape.

Furthermore, Mr. Tata's expertise extends well beyond his academic foundation; he has undertaken a multitude of professional courses spanning supply chain management, cotton administration, risk assessment, creative ideation, and negotiation strategies. Beyond his educational and professional accomplishments, he assumed the pivotal role of Chapter Chair for YPO Pakistan during 2021-2022. YPO is a preeminent global organization catering to CEOs worldwide and Mr. Tata has been an active participant in the organization.



Ms. Samar Shahid - Director

Ms. Samar Shahid is a psychologist and mental health counselor holding a Master's Degree in Psychology from Columbia University, New York and Bachelor's degree in Psychology, Education and International Relations from Brandeis University.

She has considerable experience in the field of education and has served with organizations such as the Karachi American School and Haque Academy. She also runs a private clinic serving as a mental health professional. Over the years she has participated in a number of skills training programs which have focused primarily on Human Development and Education. Keen on giving back to the community, she currently chairs the Charity and Donation Committee at Tata Pakistan. Ms. Shahid firmly believes that education and human development are the bedrock of any young, modern and dynamic society.

She has recently joined the Board of Tata Best Foods Limited and has been on the board for Tata Pakistan since 2018.



Mr. Bilal Shahid Tata - Director

Bilal is the founder and CEO of Tata Best Foods Ltd (TBFL), which operates a state-of-the-art Fully Integrated Meat Business including a 6000 Cattle Feedlot farm in Muzaffargarh, Punjab, a state of the art Abattoir and further processing unit for marinated and cooked meat products. Under his leadership, TBFL has grown in to one of the top exporters of Meat and its value added products from Pakistan. The company has always pursued a culture of innovation. TBFL has the honor of being the first company in Pakistan to produce and export long shelf-life Vacuum Packed Chilled Meats. TBFL also pioneered the logistics for exporting Chilled Bone-in Beef and Goat meat to GCC countries by using refrigerated containers, thereby eliminating the need for costly Air Cargo. Currently almost 80% of the exports from Pakistan to UAE are moving by Sea. This has given Pakistan a substantial advantage in the GCC markets versus other international suppliers in this market segment. TBFL is also one of the first companies to export 'Heat Treated' Cooked and Marinated Beef products. TBFL operates a world class Feedlot Farm of 6000 Heads of cattle to ensure consistent supply of quality livestock. This farm will also serve as a model farm for other farmers who can apply the same concept to raise quality cattle for supply to Export abattoirs.



Bilal is also serving as a Director on the Board of Tata Textile Mills Ltd, Upcrop Ltd, Livestock and Dairy Development Board Government of Pakistan, Export Development Fund Government of Pakistan. These positions have provided him a deep insight into opportunities and challenges facing the Agri and Textile landscape of Pakistan and abroad.

Bilal has an MBA degree with specialization in Finance and is well versed in financial and strategic analysis.

Board of Directors



Standing Left to Right: Mr. Adeel Shahid | Mr. Farooq Advani | Mr. Bilal Shahid | Ms. Samar Shahid
Seated Left to Right: Mr. Tayyeb Afzal | Mr. Mazhar Valjee | Mr. Shahid Anwar

Executive Management



Standing Left to Right: Muhammad Hussain | Yunus Abdul Sattar | Rehan Zahoor | Syed Wasi Ul Hasan | Faisal Ismail
Malik Imran Zaheer | Abdul Shaji Khan | Muhammad Zaid Kaliya | Ghazanfer Yaseen
Seated Left to Right: Munawwar Alam | Adeel Shahid | Shahid Anwar | Muhammad Hanif Ashrafi | Humera Ahmad

INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF TATA TEXTILE MILLS LIMITED

Review Report on the Statement of Compliance contained in Listed Companies (Code of Corporate Governance) Regulations, 2019

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) prepared by the Board of Directors (the Board) of Tata Textile Mills Limited (the Company) for the year ended June 30, 2025 in accordance with the requirements of Regulation 36 of the Regulations.

The responsibility for compliance with the Regulations is that of the Board of Directors of the Company. Our responsibility is to review whether the Statement of Compliance reflects the status of the Company's compliance with the provisions of the Regulations and report if it does not and to highlight any non-compliance with the requirements of the Regulations. A review is limited primarily to inquiries of the Company's personnel and review of various documents prepared by the Company to comply with the Regulations.

As a part of our audit of the financial statements we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the board's statement on internal control covers all risks and controls or to form an opinion on the effectiveness of such internal controls, the Company's corporate governance procedures and risks.

The Regulations require the Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval, its related party transactions. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee.

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the requirements contained in the Regulations as applicable to the Company for the year ended June 30, 2025.

Yousuf Adil

Chartered Accountants

Place: Karachi

Date: August 22, 2025

UDIN: CR202510091v0sljZAT7

Statement of Compliance with Listed Companies (Code of Corporate Governance) Regulations, 2019

Name of Company: Tata Textile Mills Limited
Year ended: June 30, 2025

The Company has complied with the requirements of the Regulations in the following manner:

1. The total number of directors are Seven as per the following.
- a. Male: Six
 - b. Female: One

2. The composition of the Board is as follows:

S.No.	Category	Names
i.	Independent Directors	Mr. Mazhar Valjee
		Mr. Tayyeb Afzal
		Mr. Farooq Advani
ii.	Non-Executive Directors	Mr. Bilal Shahid Anwar
		Ms. Samar Shahid
iii.	Executive Directors	Mr. Shahid Anwar (CEO)
		Mr. Adeel Shahid Anwar
iv.	Female Directors	Ms. Samar Shahid

The independent director meets the criteria of independence under the Companies Act, 2017

3. The directors have confirmed that none of them is serving as a director on more than seven listed companies, including this Company.
4. The Company has prepared a 'Code of Conduct' and has ensured that appropriate steps have been taken to disseminate it throughout the Company along with its supporting policies and procedures.
5. The Board has developed a vision/mission statement, overall corporate strategy, and significant policies for the Company. The Board has ensured that a complete record of particulars of significant policies along with their dates of approval or updating is maintained by the company.
6. All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by the Board / shareholders as empowered by the relevant provisions of the Act and these Regulations.
7. The meetings of the Board were presided over by the Chairman and, in his absence, by a director elected by the Board for this purpose. The Board has complied with the requirements of the Act and the Regulations with respect to frequency, recording, and circulating minutes of the meeting of the Board.
8. The Board of Directors has a formal policy and transparent procedures for the remuneration of directors in accordance with the Act and these Regulations.

9. The Board remained fully compliant with the provision with regard to their directors' training program.
10. The Board has approved the appointment of the Chief Financial Officer, Company Secretary, and Head of Internal Audit, including their remuneration and terms and conditions of employment, and complied with relevant requirements of the Regulations.
11. The Chief Financial Officer and Chief Executive Officer duly endorse the financial statements before approval of the Board.
12. The Board has formed committees comprising of members given below:

a. Audit Committee

- i. Mr. Tayyeb Afzal - Chairman
- ii. Mr. Farooq Advani - Member
- iii. Mr. Bilal Shahid Anwar - Member

b. HR and Remuneration Committee

- i. Mr. Mazhar Valjee - Chairman
- ii. Mr. Farooq Advani - Member
- iii. Mr. Adeel Shahid Anwar - Member
- iv. Mr. Bilal Shahid Anwar - Member
- v. Ms. Samar Shahid - Member

13. The terms of reference of the aforesaid committees have been formed, documented, and advised to the committee for compliance.
14. The frequency of meetings of the committee was as follows:
- a. Audit Committee - Quarterly
 - b. HR and Remuneration Committee - Bi - Annual
15. The Board has set up an effective internal audit function supervised by a qualified Head of Internal Audit who is considered suitably experienced for the purpose and is conversant with the policies and procedures of the company.
16. The statutory auditors of the Company have confirmed that they have been given a satisfactory rating under the quality control review program of the Institute of Chartered Accountants of Pakistan (ICAP) and registered with the Audit Oversight Board of Pakistan, that they and all their partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by ICAP and that they and the partners of the firm involved in the audit are not a close relative (spouse, parent, dependent and non-dependent children) of the Chief Executive Officer, Chief Financial Officer, Head of Internal Audit, Company Secretary or director of the Company.
17. The statutory auditors or the persons associated with them have not been appointed to provide other services except, in accordance with the Act, these regulations, or any other regulatory requirement, and the auditors have confirmed that they have observed IFAC guidelines in this regard.
18. We confirm that all requirements of regulations 3, 6, 7, 8, 27,32, 33, and 36 of the Regulations have been complied with; and

19. Explanations for non-compliance with requirements, other than regulations 3, 6, 7, 8, 27, 32, 33, and 36 are below:

S.No.	Non-Mandatory Requirement	Reg. No.	Explanation
1.	Nomination Committee; The Board may constitute a separate committee, designated as the nomination committee, of such number and class of directors, as it may deem appropriate in its circumstances.	29 (1)	Currently, the board has not constituted a separate Nomination Committee and the functions are being performed by the HR & RC.
2.	Risk Management Committee; The Board may constitute the risk management committee, of such number and class of directors, as it may deem appropriate in its circumstances, to carry out a review of the effectiveness of risk management procedures and present a report to the Board.	30 (1)	Currently, the board has not established a Risk Management function, and these responsibilities have been delegated to the Board Audit Committee.
3.	Companies are also encouraged to arrange training for: i. at least one female executive every year under the Directors' Training program from year July 2020; and ii. at least one head of department every year under the Directors' Training program from July 2022.	19 (3)	The Company has not arranged any training under the Directors' Training Program for female executives or heads of the department during the year.

On Behalf of The Board of Directors


Mazhar Valjee
Chairmen


Shahid Anwar Tata
Chief Executive

Karachi:
Date: August 08, 2025

Corporate Governance

Governance Framework

The main philosophy of business followed by TTML for more than four decades has been to create value for all stakeholders through fair and sound business practices, translated into policies approved by the Board and implemented throughout the Company to enhance the economic and social values of all stakeholders of the Company.

The company is committed to maintaining high standards of corporate governance without exception and complies with the provisions of the Code of Corporate Governance as required by the Securities and Exchange Commission of Pakistan (SECP) and the listing regulations of the Pakistan Stock Exchange (PSX). Emphasize that the governance structure is based on the company’s core values, constitutional documents, Code of Conduct, and applicable laws and regulations.

TTML’s approach towards Corporate Governance ensures ethical behavior, transparency, and accountability in all that we do and to attain a fair value for the shareholders.

Compliance Statement

Living up to its standards, the Board of Directors has, throughout the year 2024-25, complied with the Code of Corporate Governance, the listing requirements of the PSX, and the Financial Reporting Framework (FRF) of SECP. The Directors confirm that the following has been complied with:

- a. The financial statements for the year ended June 30, 2025, present fairly its state of affairs, the results of its operations, cash flows, and changes in equity.
- b. Proper books of accounts of the Company have been maintained.
- c. Appropriate accounting policies have been consistently applied in the preparation of financial statements for the year ended June 30, 2025, and accounting estimates are based on reasonable and prudent judgment.
- d. International Financial Reporting Standards (IFRS), as applicable in Pakistan, have been followed in the preparation of financial statements, and any departures therefrom have been disclosed and explained.
- e. The internal control systems are sound in design and have been effectively implemented and monitored.
- f. There are no doubts about the Company’s ability to continue as a going concern.
- g. There has been no material departure from the best practices of corporate governance as detailed in listing regulations.
- h. There have been no material changes since June 30, 2025, to date of the report and the Company has not entered into any commitment during this period which would have an adverse impact on the financial position of the Company.

The Board of Directors

The Board of Directors consists of qualified individuals possessing knowledge, experience, and skills in various professions, with the leadership and vision to provide oversight to the company.

The Board is headed by Chairman Mr. Mazhar Valjee, an Independent Director, and out of seven (7) directors, three (3) are independent directors. The current Board composition reflects a good mix of experience, backgrounds, skills, and qualifications. All directors have many years of experience and are fully aware of their duties and responsibilities under the Code of Corporate Governance. Six (6) Directors have acquired the formal Directors Training Certificates, while one (1) director got exemptions from SECP on meeting criteria. None of the directors are serving on more than seven listed companies, including TTML.

All the directors possess sufficient skills and experience of the Board as described in the Listed Companies (Code of Corporate Governance) Regulations, 2019.

To further its role of providing oversight and strategic guidelines to the company, the Board has formulated the roles and responsibilities of the Chairman and Chief Executive Officer. The Board has constituted two Sub Committees, namely the “Board Audit Committee” (BAC) which also oversee risk management and the “Human Resources & Remuneration Committee” (HR&RC), which also oversee sustainability governance of the organization.

The composition, role, and responsibilities of the Committees are clearly defined in their respective Terms of References.

All the Board members are given appropriate documents in advance of each meeting which normally includes a detailed analysis of business and matters, which the Board will be required to make a decision or give its approval. During the year 2024-25, the Board had four (4) meetings. The average attendance of the directors in Board meetings during the year was 93%.

Composition of Board

The current Board composition reflects a good mix of experience, and diversity in backgrounds, skills, and qualifications. All directors have many years of experience and are fully aware of their duties and responsibilities under the Code of Corporate Governance. The composition of the Board is in compliance with the requirements of the Code of Corporate Governance regulations, 2019 applicable to listed entities which are given below:

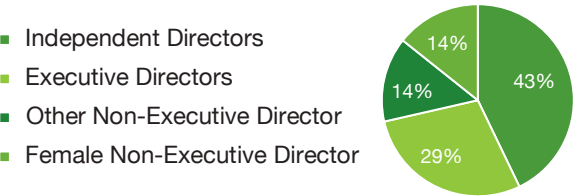
Total number of Directors by Gender

a. Male	6
b. Female	1



Total number of Directors by Category

i. Independent Directors	3
ii. Executive Directors	2
iii. Other Non-Executive Director	1
iv. Female Non-Executive Director	1



The names of the directors as at June 30, 2025 are as follows:

Independent Director			Executive Director		Non-Executive Director	
Mr. Mazhar Valjee	Mr. Farooq Advani	Mr. Tayyeb Afzal	Mr. Shahid Anwar	Mr. Adeel Shahid Anwar	Mr. Bilal Shahid Anwar	Ms. Samar Shahid
Chairman of the Board			Chief Executive			
Mr. Mazhar Valjee			Mr. Shahid Anwar			

Committees of the Board

Subsequent to the election of the Board of Directors last year, the Audit and Human Resources & Remuneration Committees were reconstituted. The following are the details of the members of each committee:

Board Committees							
Audit Committee			Human Resource and Remuneration Committee				
3 Member			5 Member				
Chairman	Member	Member	Chairman	Member	Member	Member	Member
Mr. Tayyeb Afzal	Mr. Farooq Advani	Mr. Bilal Shahid Anwar	Mr. Mazhar Valjee	Mr. Farooq Advani	Mr. Adeel Shahid Anwar	Mr. Bilal Shahid Anwar	Ms. Samar Shahid

Justification for Independence of Independent Directors

- Mr. Mazhar Valjee
- Mr. Farooq Advani
- Mr. Tayyeb Afzal

According to the requirements of Section 166 of the Companies Act, 2017, and the Code of Corporate Governance, it is mandatory for each listed company to have at least two independent directors or one-third of the Board members, whichever number is higher. An independent director is defined as a director who is not connected to or does not have any other relationship, whether pecuniary or otherwise, with the company, and who can be reasonably perceived as being capable of exercising independent business judgment without being influenced by any conflict of interest. The three elected directors have requisite competencies, skills, knowledge and experience to discharge and execute their duties competently, as per the requirement of the Companies Act, 2017 and Code of Corporate Governance 2019. Among the independent directors, there is an appropriate mix of individuals to ensure that there is an overall adequate level of knowledge and expertise for independent directors to effectively carry out their roles and functions vis-à-vis the Board and its committees.

Diversity in the Board

The diversity of the Board is essential to the company’s strategic growth and resilience. Members bring a wide range of expertise, ensuring that the company benefits from informed decision-making across multiple areas critical to success. This diversity fosters an adaptable and innovative approach, positioning the company to thrive in an ever-evolving business environment.

The Board is comprised of professionals with extensive skills in:

- Business Operations & Corporate Governance
- Technology & Manufacturing
- Sales & Marketing
- Legal & Risk Management
- Accounting & Finance
- Global Business Strategy
- Health, Safety and Environment

These varied competencies ensure that the company’s leadership is well-prepared to handle complex challenges across different functions, from operational efficiency to compliance and financial oversight. This diversity of experience strengthens the company’s ability to assess opportunities from multiple angles and take well-balanced actions that benefit the organization in the long term.

Additionally, the Board places a strong emphasis on emerging areas such as:

- Digital Transformation
- Environmental Social Governance (ESG)

The focus on digital transformation ensures the company stays ahead in the fast-paced technological landscape, enhancing its operational agility and customer engagement. Similarly, the Board’s commitment to ESG principles reinforces the company’s dedication to sustainability, responsible governance, and aligning with modern expectations of ethical business practices.

By combining a wide range of skills with a forward-looking approach, the Board’s diversity enhances the company’s ability to innovate, adapt, and grow sustainably. This diversity in expertise and perspectives supports a comprehensive, well-rounded approach to achieving both short-term objectives and long-term success.

Decisions Taken by the Board and Delegated to Management

The Company conducts quarterly Board meetings to approve important matters, with urgent decisions addressed via signed circular resolutions, duly signed by each director, and then presented in the next Board meeting for ratification. Complying with legal requirements, the Board oversee approval of annual budgets including capital expenditures, strategic investments, expansion, control, risk management, governance, policy endorsement, approval of related party transactions and appointment of key management positions, financial statements of the Company. Interim and final dividends are recommended by the Board and approved by the shareholders in the Annual General Meeting.

Delegation to sub-committees and management is followed by careful monitoring in subsequent Board meetings. Meanwhile, day-to-day operational issues and tasks are managed by the executive team, led by the CEO. Chief Executive Officer of the Company has been entrusted by the Board with the primary responsibility for conducting the routine business operations in an effective and ethical manner, in line with the Board’s approved strategies and goals including annual targets of production, sales, revenues, cost, profitability and compliance with legal requirements. The management is responsible for the identification and administration of key risks and opportunities which could impact the Company in the ordinary course of business. It is also the responsibility of the Company’s management to establish and maintain a system of internal controls and financial reporting in conformity with the approved accounting standards and the requirements of the Companies Act, 2017.

Directors’ Training Program (DTP)

The Directors of the Company are adequately trained to perform their duties and are aware of their powers and responsibilities under the Companies Act, 2017, and the Regulations of PSX Rule Book.

The Chairman, in collaboration with the Company Secretary and senior management, ensures that the Board members are provided, at all times, with the information necessary for them to effectively discharge their duties and responsibilities.

None of the Company’s Directors has attended the Directors Training Program in the current year, as they have either completed the Director’s Certification from authorized institutions in past or exempted by SECP.

Directors’ Orientation Session

The company follows the practice of conducting orientation sessions for its directors, aimed at familiarizing them with relevant laws, regulations, and their roles and duties. This enables directors to proficiently oversee the company’s operations on behalf of its shareholders.

Performance Evaluation of the Directors on the Board

Complying with Listed Companies (Code of Corporate Governance) Regulations, 2019, the Board has approved a formal policy and a process has been put in place for conducting annual performance evaluation of the Board and its committees. The purpose of the evaluation is to ensure that the Board’s performance is measured with reference to:

- overall corporate objectives,
- governance structure of the Company,
- statutory and regulatory compliance,
- effectiveness, collaboration, and
- value addition.

The assessment of the board's performance is conducted internally, without the engagement of any external consultants.

Performance evaluation was conducted as per the process approved by the Board in which all members of the Board participated and provided their feedback. All individual Board members answer the comprehensive questionnaire focused on evaluating, from various parameters, whether the Board has discharged its duties diligently and with foresight.

This exercise allows the critical self-assessment to ensure commitment to performance management, to review challenges in the dynamics of the Board and management, to enhance good corporate governance, and to develop appropriate skills, competencies, and motivation on the Board.

External Oversight of Functions

TTML ensures that all its functions run smoothly and effectively through regular monitoring, benchmarking, and goal assessments. This includes:

- The Internal Audit department reviews all processes and functions regularly.
- Evaluating Manufacturing processes according to industry best practices.
- Periodic reviews of Information Systems and network security are conducted by both internal and external auditors.

To further enhance credibility and effectiveness, management facilitates professional training programs from reputed institutions, reinforcing industry’s best practices across relevant departments.

Detail of Share Trading

During the year, no transactions in the Company’s shares were made by the Chief Executive, Directors, Chief Financial Officer, Company Secretary, Head of Internal Audit, other Executives, or their spouses and minor children, except for a transaction executed by Mrs. Bushra Tayyeb Afzal, spouse of Mr. Tayyeb Afzal (Independent Director).

Sr. No.	Name of Director	Opening	Buy	Sale	Balance on
		01-July-2024			30-June-2025
1	Mrs. Bushra Tayyeb Afzal – (Spouse of Mr. Tayyeb Afzal, Independent Director)	4,000	-	4,000	-

Role and Responsibility of the Chairman

The Chairman of the Board manages and provides leadership to the Board of Directors of the Company. He is accountable to the Board and acts as a direct link between the Board and the Company's management facilitated through the Chief Executive Officer. Additionally, He communicates Board decisions when appropriate, ensuring compliance with relevant laws, the Code of Corporate Governance, Listing Regulations, and other applicable regulations.

Role and Responsibilities of the Chairman includes:

- issuing letters to directors outlining their roles, obligations, powers, and responsibilities, along with remuneration and entitlements, following the commencement of each director's term, in alignment with the Companies Act 2017 and the company's Articles of Association;
- leading the board, ensuring its effective performance in fulfilling responsibilities;
- providing a review report in annual financial statement, evaluating the company's overall performance and the board's effectiveness in achieving objectives; and
- providing assurance that board meeting minutes adhere to the requirements of Companies Act 2017 and Code of Corporate Governance 2019.

Role and Responsibility of the Chief Executive Officer (CEO)

The Chief Executive Officer (CEO) leads the development and execution of the Company's long-term strategy, guided by the Board of Directors, to enhance shareholder value. He oversees day-to-day management decisions and ensures the Company's objectives are carried out as directed by the Board. Serving as a link between the Board and Management, the CEO communicates on behalf of the Management.

Role and Responsibilities of the CEO include:

- being primarily accountable for managing the affair of the Company, especially in financial matters, under the supervision of the Board, in accordance with the Companies Act, 2017; and
- implementing Board-approved strategies and policies, efficiently safeguarding resources, and ensuring statutory compliance; Accordingly, all business and functional heads report directly or indirectly to the CEO. The CEO act as a direct liaison between the Board and the management of the company and shall communicate to the Board on behalf of Management.

Chief Financial Officer (CFO), Company Secretary, and the Head of Internal Audit

The Chief Financial Officer (CFO), Company Secretary, and Head of Internal Audit possess the requisite qualifications and experience as prescribed in the Code of Corporate Governance and the Companies Act, 2017.

The appointment, remuneration, and terms & conditions of employment of the CFO, the Company Secretary, and the Head of Internal Audit (on recommendation of the Board Audit Committee) were determined by the Board of Directors. The removal of the CFO, Head of Internal Audit and Company Secretary, whenever applicable, is done with the approval of the Board of Directors.

Business Philosophy & Corporate Governance Practices Exceeding Legal Requirements

At TTML, we believe in ethical practices, sustainable manufacturing processes, transparent reporting to the shareholders, and the best practices of Corporate Governance to ensure success and better results for all stakeholders.

The Board members actively participate in the meetings to provide guidance concerning the company’s business activities, and operational plans, review corporate operations, and formulate and review all significant policies. The Board firmly adheres to the best ethical practices and fully recognizes its responsibilities for the protection and efficient utilization of company assets for legitimate business objectives and compliance with laws and regulations.

The Chairman ensures that the discussions held during the Board meetings and the consequent decisions arising are duly recorded and circulated to all the directors within 14 days. The CFO and the Company Secretary attended all the meetings of the Board as required by the Code of Corporate Governance. All periodic financial statements and other working papers for the consideration of the Board/ Committees are circulated to the directors well before the meetings so as to give sufficient time for the directors to make decisions on an informed basis. This year the Board has held four (4) meetings, agendas of which were duly circulated at least a week before the meetings.

The Company demonstrates its commitment to the highest moral and ethical values by voluntarily adopting the best global practices in addition to mandatory regulatory requirements. Governance practices exceeding legal obligations include adherence to best corporate reporting standards recommended by ICAP and ICMAP, enhanced diversity on the Board with three independent directors (exceeding the regulatory minimum of two), and comprehensive disclosures in the Annual Report such as materiality assessment, ratios, reviews, risk metrics, and graphs. The Company has also implemented robust Health, Safety, and Environment strategies to safeguard employees, equipment, and continuously meet international standards.

Timely Communication of Financial Results

The quarterly unaudited financial statements and the half-yearly financial statements (reviewed by the Auditors) were duly circulated within thirty (30) days and sixty (60) days, respectively, along with the Directors’ Review. Annual Financial Statements, Board of Directors’ Reports, Auditors’ Reports, and other statutory statements and information are approved by the board within 40 days, well before the time limit defined in the Companies Act 2017.

All periodic financial statements of the Company were duly endorsed by the CEO and the CFO, except for the quarter ended March 30, 2025 which were endorsed by two directors and CFO, and timely circulated to the Board. Half-yearly and annual accounts are initialed by the external auditors before presenting them to the Audit Committee and the Board of Directors for approval.

Risk & Opportunity Management

The Management periodically reviews major strategic, financial and operating risks faced by the business. The Company’s financial performance during the year was encouraging as compared to last year on account of uncertainties and, going forward into the new year the Company also needs to remain vigilant for uncertainties created by risk factors resulting from local and international cotton production and supply availability, cotton pricing, international logistics and shipping, international yarn pricing, exchange rate fluctuations, high finance cost, US/China trading relations and geopolitical environment that could have an impact on the future financial results of the Company.

Internal Control Framework

The Board of Directors recognizes that the establishment of a sound system of risk oversight and management and internal control is a fundamental requirement of good corporate governance. Accordingly, an effective and efficient system of Internal Controls has been established, which is monitored by the Board Audit Committee. The Company’s Head of Internal Audit, who is being assisted by in-house executives, carry out the Internal Control functions.

The Company has placed an explicit internal control framework with clear structures, authority limits, accountabilities, well-defined policies, and detailed procedures, enabling the Audit Committee and the Board to have a clear understanding of risk areas and to place effective controls to mitigate these risks.

Sustainability Measures

All aspects of sustainability including efficient operational procedures, effective internal controls, ethical behavior, and energy conservation are an integral part of our business model. At TTML, we also believe that employees are most critical in the progress, growth, and sustainability of any organization.

Our role as corporate citizens is as important to us as the satisfaction of our customers and earning a fair return for our shareholders. We are committed to working for the betterment and prosperity of our stakeholders. Management has endeavored to provide a safe and healthy work atmosphere by adopting practices and creating working conditions that are safe and healthy for our employees, vendors, contractors, suppliers, and customers.

Engaging Stakeholders & Transparency

The development of stakeholders’ relationships is of significant importance for us. Building “stakeholder engagement” and compliance with regulatory requirements and terms and conditions are one of the main business principles by which we abide. To bring an accurate understanding of the company’s management policies and business activities to all its stakeholders, TTML strive to make full disclosure of all material information to all stakeholders through various announcements on its website, to the Stock Exchange, and social media platforms to help investors make informed decisions.

We encourage full participation of the shareholders in the Annual General Meetings by sending corporate results and sufficient information following the prescribed timeline so as to enable the shareholders to participate on an informed basis. While increasing management transparency, we aim to strengthen our relationships and trust with shareholders and investors.

Our stakeholders include but are not limited to customers, employees, government, shareholders, suppliers, local communities, and bankers.

Issues Raised at Last AGM

While general clarifications were sought by shareholders on company-published financial statements during the 38th Annual General Meeting of the Company held on October 22, 2024, no significant issues were raised.

Presence of the Board Audit Committee Chairman at the AGM

The Chairman of the Board Audit Committee attended the Annual General Meeting of the Company for the year 2024 held on October 22, 2024, to answer shareholders’ concerns/questions/queries, if any, on the audit committee’s scope, roles, and responsibilities. During the meeting, no significant issues were raised.

Pattern of Shareholding

A statement on the pattern of shareholding along with categories of shareholders, where disclosure is required under the reporting framework and the statement of shares held by the directors and executives as of June 30, 2025, is annexed.

Mechanism for Providing Information and Recommendations to the Board

Formal Reporting Line

The current organization/structure of the Company consists of various departments/divisions, each of which is led by a divisional head. These divisional heads are responsible for their respective divisions and the Board can then have access to them.

Employees

At TTML, employees are encouraged to express their views and forward their suggestions. We follow an open-door policy and employees are free to send emails, phone or talk directly to the CEO. The employees can give suggestions, share grievances and concerns or raise any matter related to the Company. In case the matter is of a significant nature, the same is addressed in the meetings of the Managing Committee, the Board of Directors, or the relevant Board Committees. The Company also has a Policy on Protection against Harassment at the Workplace to enable employees to raise serious concerns to the management regarding the business or Company without fear and repercussions.

The CEO meets all departmental and divisional heads on a frequent basis through which they are provided an opportunity to express their concerns and suggestions directly to the CEO. These meetings are aimed at capturing free and first-hand suggestions.

Shareholders

Every year the Annual General Meeting of shareholders is held in accordance with the requirements of the Companies Act 2017 which is attended by the Board, CEO, Company Secretary, CFO, and the senior management of the Company. The interactive session with the shareholders allows the shareholders to ask questions on financial, economic, social, and other issues and also give suggestions and recommendations. The Chairman, CEO and CFO responds to all the questions.

The Company has also provided contact details of relevant personnel for general and specific queries on its website.

Disclosures on Board’s Policies

a) Risk Management and Internal Control Policies

The Board oversees the governance of risk and determines the Company’s risk appetite by establishing risk management policies. The objective is to ensure that management maintains a sound system of risk identification, risk management, and related systemic and internal controls to safeguard assets, resources, reputation, and the interests of the Company and shareholders. An effective internal control system is considered essential to achieving overall business objectives and strategy in critical areas of operations, reporting, and compliance. This system is established and effectively implemented at all levels within the Company.

The Board conducts a vigilant and thorough assessment of both internal and external risks the Company might face. A rigorous approach to risk management is followed through a risk & opportunity report, which includes a detailed analysis of each risk, evaluating its likelihood and potential impact, and outlining controls and strategies to mitigate these risks. The CFO and his team prepares and updates the risk-related report and evaluates the effectiveness of controls, reporting to the COO and CEO, it is also share with BAC for their review. Board members' diversified skills, knowledge, and experience enable them to identify and manage key risks and promote an appropriate balance between risk and opportunities. The Board's Audit Committee is responsible for internal control oversight, including reviewing internal and external auditors' reports.

For IT governance, the Board is proactively involved in directing and controlling management actions for effective monitoring of cybersecurity risks and assessments, even without explicit legal or regulatory requirements. A comprehensive set of security policies is established to guide employees on best practices for cybersecurity across digital platforms and operations, which are regularly reviewed and updated. Simulated phishing exercises are conducted to test and improve employee awareness.

b) Related Party Transactions Policies

i. Approved Policy for Related Party Transactions.

The Company has a Related Party Policy that sets out the framework for transactions between the Company and its related parties based on applicable laws and regulations. Management must ensure that all necessary details concerning related party transactions are sent to the Audit Committee and Board of Directors at least seven days prior to the Board meeting. These details are placed before the Audit Committee for recommendation, and then before the Board for review and approval. The Company maintains proper record of all transactions pertaining to Related Parties and relevant details have been appropriately disclosed in Note 39 of the Financial Statements in accordance with Fourth schedule of Companies Act 2017. The relevant details of remuneration of CEO and Executive Director have been appropriately disclosed in Note 36 of the Financial Statements in accordance with Companies Act 2017.

ii. Disclosure of Director’s Interest in Significant Contracts and Arrangements

Transactions not executed at arm's length price must be separately presented with justification for Board consideration and approval based on Audit Committee recommendation. The Board approves pricing methods for related party transactions to ensure they are equivalent to arm’s length terms, with the Comparable price method preferred.

Directors are periodically reminded to avoid actual, potential, or perceived conflicts of interest and to excuse themselves from any discussion or voting on matters that would give rise to a conflict of interest. The Company's Code of Conduct emphasizes avoiding activities that conflict with the Company's best interest, requiring disclosure of any close relatives being suppliers or competitors. Employees are required to disclose any situation where there is a possibility of conflict. Directors are required to disclose directorships or memberships in other corporate bodies at appointment and annually, which is used to update the list of related parties.

iii. Remuneration of Non-Executive Directors Including Independent Directors for Attending Board Meetings and General Meetings:

The Board has a formal policy and transparent procedures for fixing the remuneration of Directors. As per the Articles of the Company, the Board of Directors is authorized to fix Directors' remuneration. Non-executives, including the independent directors are entitled only to meeting fee.

iv. **Retention of Board Fee by the Executive Director Earned by Him Against His Services as Non-Executive Director in other Companies**

An executive director of the Company may serve as a Non-Executive Director on the board of any other company by virtue of the Companies Act, 2017. Fees paid by any other company, in compliance with the remuneration policy of that respective company and approved by its Board, may be retained by the Executive Director in lieu of services rendered as a Non-Executive Director.

v. **Conflict of Interest Policy**

The Company ensures that actual or perceived conflicts of interest are managed with transparency and integrity. Directors are periodically reminded to disclose any potential conflicts and to abstain from discussions where such conflicts may arise. Policies and strategies are in place to identify, communicate, and address conflicts, thereby safeguarding impartial decision-making and reinforcing the Company's commitment to ethical governance and accountability.

c) **Human Resource Management**

The Company is committed to Human Resource Excellence and believes its human resources are its most valuable asset. The Human Resource Management Policy lays down salient features concerning HR management and succession planning. Key practices include:

- **Preparation of Succession Plan:** This is an ongoing process to identify, evaluate, and develop potential employees for future leadership positions, attracting talented and capable individuals to fill required roles through recruitment, on-the-job training, and leadership development programs.
- **Merit-based Recruitment:** The Company prides itself on providing equitable employment opportunities, free of discrimination, by implementing a merit-based non-discriminatory recruitment process. Talent hunt programs reflect the commitment to being an equal opportunity employer.
- **Performance-Based Appraisal System:** Performance evaluation of all employees is carried out periodically. Remuneration and benefits are performance-based or market-based.
- **Promotion, Reward and Motivation:** The Company provides a healthy working environment and optimal growth opportunities to employees to keep them motivated and give them a sense of belonging.
- **Training and Development:** Extensive training and a supportive work environment are provided to adapt creativity and innovation. Employees' skills and competencies are enhanced through on-job training, educational growth, and career development opportunities.
- **Diversity, Equity & Inclusion (DE&I) Policy:** Diversity is a core value, emphasizing continuous collaboration and communication among employees while respecting differences in gender, ethnicity, national origin, caste, creed, age, religion, cultural background, languages, educational background, abilities, etc.. The Board lays particular emphasis on the fair treatment of employees irrespective of their background and restricts discrimination. The management is committed to promoting diversity, including female representation in all departments, and strives to hire persons with disabilities and diverse cultural backgrounds to promote an inclusive work environment. The management has introduced draft policy framework which will be reviewed by Board for approval whereas roadmap for diversity project is approved. Annual targets and strategy have been approved to oversees progress toward achieving their objectives.
- **Employee Engagement / Feedback:** Employees are encouraged to express views, provide suggestions, and raise concerns directly to management or through emails/phone. Employee engagement activities, including festive celebrations, health awareness campaigns, and social gatherings, are organized to foster a positive work environment. An internal newsletter also serves as a communication tool.

d) **Security Clearance of Foreign Directors**

The Board of Directors of TTML did not include any foreign Directors on board, so there was no need for security clearance.

e) **Board Meetings Held Outside Pakistan**

During the year, no Board meeting was held outside Pakistan as all directors are based in Pakistan.

f) **Social and Environmental Responsibility Including Managing and Reporting Procurement, Waste and Emissions Policies**

The Company is deeply committed to upholding CSR by embedding sustainable and ethical practices at the heart of its operations. Efforts are centered on generating a positive impact on the environment and communities served, while enhancing business integrity. Initiatives prioritize environmental preservation, social well-being, and ethical standards. The Board ensures CSR is integrated into the overall business strategy.

- **Environmental Protection:** The Company is committed to meeting or exceeding applicable environmental laws and standards, with a focus on identifying, reducing, and properly disposing of waste to minimize harm and prevent pollution. Efforts are directed towards reducing energy and water consumption while increasing the use of renewable and recyclable resources. The Company promotes responsible consumption of natural resources in its production processes, emphasizing reduction, reuse, and recycling. It actively prioritizes the use of sustainable fibers such as BCI Cotton and GRS-certified materials to minimize environmental impact. TTML has also invested in solar energy projects to generate clean energy, thereby reducing reliance on depleting fossil fuels and lowering its carbon footprint. In addition, water purification and filtration systems are in place, and plantation drives are conducted regularly. The Company maintains globally recognized certifications including GOTS, OCS, GRS, and RCS.
- **Procurement, Waste and Emissions Policies:** The Company ensure ethical procurement practices and responsible consumption. The Company's waste and emissions policies emphasize resource efficiency, responsible disposal, and compliance with environmental standards, aiming to minimize ecological footprint while promoting sustainable practices across operations and supply chains

g) **Communication with Stakeholders**

A healthy relationship with stakeholders is key to business success. The management understands that disputes can cause hindrances and therefore gives due importance to feedback/suggestions. Stakeholders are allowed direct access to the Company Secretary for grievances. All business activities with stakeholders are conducted through fair, legal, and ethical means. The Company believes in continuous collaboration with all stakeholders by maintaining open lines of communication, providing regular updates, sharing relevant information, and seeking input on key decisions. TTML maintains a dedicated section on its website to provide accurate, transparent, and timely information to investors and shareholders.

h) **Dividend Policy**

The Board did not recommend any dividend for the year ended June 30, 2025, primarily due to elevated raw material, energy, and labor costs, higher finance charges, and liquidity challenges. TTML's general dividend philosophy is to maximize shareholder returns from Profit After Tax (PAT), with a target of distributing at least 30% of PAT unless a lower payout is justified. Dividends, when declared, are disbursed within the stipulated timelines in accordance with the Companies Act 2017 and SECP regulations.

i) **Investors' Relationship and Grievances**

TTML an "Investor Relation Policy" that recognizes the importance of timely and fair disclosure of all material information to stakeholders to allow informed investment decisions and ensure a level playing field. The objective of the Investors' Grievance Policy is to safeguard and protect investors'/shareholders' interests by handling their grievances efficiently without discrimination and within the shortest possible time. Queries and complaints are treated efficiently, fairly, and confidentially. Investors are informed of avenues to raise concerns within the organization and their rights if not satisfied. Appropriate remedial action is taken immediately to avoid future recurrences. A designated email address is created to facilitate investors for queries, grievances, and feedback.

j) **Employee’s Health, Safety and Protection**

The Company has a strong commitment to ensuring employees work in a healthy and safe environment. The HSE department ensures compliance with relevant environmental, health, and safety laws and regulations and embedding sustainability goals. TTML emphasizes a comprehensive HSE manual, regular internal audits, and external gap analyses to enhance safety and security.

k) **Whistle Blowing Policy**

The Whistleblowing Policy sets out guidelines to encourage individuals to report malpractice or impropriety in Company activities. The Company is committed to the highest standards of openness, honesty, and accountability, encouraging employees and third parties (suppliers, customers, dealers) to come forward and "blow the whistle". Concerns may include financial malpractice, failure to comply with legal obligations, disclosure of confidential information, deviation from fair financial reporting, dangers to health and safety/environment, unlawful activity, or improper/unethical behavior. All reporting is handled confidentially, and the person raising the issue is not targeted or penalized (if not anonymous), unless they act with false malicious intent

l) **Anti-Harassment Policy to Safeguard the Rights and Well-Being of Employees**

The Company's Code of Conduct includes provisions for protection against harassment at the workplace. It ensures appropriate steps are taken to disseminate the code throughout the company, along with supporting policies and procedures. This policy aims to safeguard the rights and well-being of employees. TTML have an anti-harassment policy incorporating mechanisms from the Protection Against Harassment of Women at the Workplace Act 2010, including a Code of Conduct, formation of an Inquiry Committee, designation of a competent authority, and display of the Code.

m) **Safety of Records of the Company**

The Company has a proper Document & Record Control Mechanism for retaining, maintaining, and retrieving administrative control of all documents and data. Important documents (e.g., minutes, statutory certificates, property titles) are kept in a secure safe. Other important accounting records may be outsourced to a record management company. Implementation of precautionary measures like fire-extinguishers and fire-resistant measures ensures the security of sensitive documents. Efficient disposal of records is also practiced. Financial information is recorded using ERP, and access to electronic documentation is secured through a comprehensive password-protected authorization matrix in the ERP system.

n) **Information Technology (I.T) Policy**

A well-defined Information Technology Policy is in place to help achieve efficient and effective use of I.T resources for the company so as to establish priorities, strategy delivery, increase productivity and deliver the right services to users.

The I.T. Steering Committee comprises of CEO, COO, CFO, and Head of Departments who are responsible for making major I.T. decisions. The I.T. Head is responsible for ensuring communication of I.T. security policies to all users of the Company. Further, Internal Audit is responsible for monitoring compliance with I.T. policies. The Policy on Information Technology is focused on information security, human resource security, access control, information system acquisition, development and maintenance, business continuity management, incident management, website, and Oracle Fusion-ERP.

Board Review on Business Continuity or Disaster Recovery Plan

The Board of Directors oversees the Company's up-to-date Business Continuity and Disaster Recovery plan, which is crucial for the efficient functioning of systems and servers, and to prevent unexpected issues. For Disaster Recovery Planning, we've adopted an effective strategy to minimize and manage information security risks, ensuring a swift transition to backup operations and a prompt return to normalcy in the data center after a disaster. This planning guarantees that vital functions continue with minimal disruption post-disaster.

In terms of Business Continuity Planning, we've dedicated significant efforts to maintain seamless business operations. TTML have developed comprehensive Business Continuity Plans (BCP) to safeguard the organization and its resources, guaranteeing minimal disruption in case of unforeseen events by ensuring the availability of critical business functions.

Board’s Disclosure on Company’s Use of Enterprise Resource Planning (ERP) Software

Integration of the Function of Core Business Processes

TTML continues to lead in adopting advanced technology by migrating its Oracle E-Business Suite ERP to the cloud-based Oracle Fusion. The implementation was successfully completed, and the following core applications are now fully operational at TTML:

- Accounts Payable
- Accounts Receivables
- General Ledger
- Cash Management
- Order Management
- Inventory
- Procurement
- Project & Contract Management
- Budgeting Control
- Enterprise Assets Management (EAM)
- Manufacturing module
- Supplier Relationship Management (SRM) Portal
- Advanced barcode module
- Diligent Board Software

These core applications and newly implemented modules have enabled TTML to integrate its various business operations seamlessly and enhance business reporting with real-time information. This integration has led to informed and timely decision-making and created synergies across departments.

Management Support in Implementation, Continuous Updates, and User Training of ERP Software

The IT Steering Committee remains vital in keeping our organization technologically advanced and efficient. They continually introduce new initiatives to improve processes and controls, employing a standardized application lifecycle management process for holistic implementation. The committee oversees the entire process chain, ensuring business process owners evaluate risks associated with upgrades, impacting both ERP systems and overall business activities.

To ensure the effective use of our core applications, the IT management team incorporates user feedback and industry best practices into ERP development. This year, our focus is towards developing dashboards for enhanced reporting purposes. Additionally, we conduct regular in-house training sessions to provide strategic user training and ensure smooth adoption of ERP functionalities.

ERP Project Control and Risk Management

The IT team continues to proactively manage and mitigate control risks associated with ERP systems in the company. They diligently identify, assess, and mitigate risks in a timely manner. To ensure system integrity, independent system audits are conducted regularly. Any issues identified during these audits are promptly addressed and rectified.

To maintain a controlled environment, access to sensitive information and segregation of duties are strictly enforced. We have a comprehensive policy that requires multiple levels of approval from senior management and the IT compliance department for any user rights requests. This ensures that our ERP systems remain secure and compliant with regulatory standards.

Report of the Board Audit Committee on adherence to the Code of Corporate Governance 2019

The members of the Audit Committee are pleased to present their report to the shareholders for the year ended June 30, 2025.

Composition of BAC Members

The Composition of the Board is as mentioned in the table below:

Name of Director as a Director	Position in Committee	Category of Director
Mr. Tayyeb Afzal	Chairman Audit Committee	Independent Director
Mr. Farooq Advani	Member	Independent Director
Mr. Bilal Shahid Anwar	Member	Non-Executive Director

Profile of BAC Members

Mr. Tayyeb Afzal is an accomplished C-Level executive with extensive experience spanning over 45 years across various sectors and geographies. His expertise lies in financial services, manufacturing and professional services, particularly in the areas of risk governance, leadership, financial management, and strategic planning. Tayyeb’s profession credentials as the Fellow of the Institute of Chartered Accountants of England & Wales (ICAEW) and the Fellow of the Association of the Chartered Certified Accountants (ACCA) of the UK, attest to his technical proficiency and commitment to upholding the highest standards of ethical conduct and professional excellence.

Mr. Farooq Advani is a seasoned professional having experience around five decades of business and financial management in the Textile manufacturing, Power and Food businesses. He is a Fellow Member of Institute of Chartered Accountant of Pakistan (ICAP).

Mr. Bilal Shahid Anwar holds a master's degree in business administration from Cardiff University, UK and a bachelor's degree from Clark University, USA. He has more than 10 years of experience in Business Management and is well versed in finance and strategy. He is currently serving as a CEO of Tata Best Foods Limited, which is operating a Modern Meat Processing facility and Cattle Feedlot Farm.

All the Committee members possess economic, financial and business acumen, and all Directors are financially literate.

Meetings of the Board Audit Committee

The Committee met five (5) times during the year, attendance of the members at these meetings is stated in the Directors’ Report. Quarterly meetings were held primarily to review and recommend interim and annual financial statements to the Board of Directors (Board) for its considerations and approval.

The Chief Executive Officer, COO and Chief Financial Officer of the Company attend the Committee meetings upon invitation. Internal auditors are present at all Committee meetings, while the attendance of External Auditors is based on the specific requirements of the meetings.

The Committee Secretary, who also serves as the Head of Internal Audit, circulates a synopsis of the meetings to all members, directors, and, where necessary, to the CFO prior to the next Board meeting. The minutes of the meetings are subsequently shared with the relevant stakeholders. The Chairman provides updates of all significant matters discussed in the meeting to the Board.

Financial Statements

The Committee has concluded its annual review, of the conduct and operations of the Company during the year ended June 30, 2025, and reports that:

- The financial statements of the Company for the year ended June 30, 2025 have been prepared on a going concern basis under requirements of Companies Act 2017, incorporating the requirements of the Code of Corporate Governance, International Financial Reporting Standards and other applicable regulations.
- These financial statements present a true and fair view of the Company’s state of affairs, results of operations, profits, cash flows and changes in equity of the Company for the year under review.
- In line with the Auditors (Reporting Obligations) Regulations, 2018 issued by SECP, the Auditors have issued unmodified audit reports in respect of the above financial statements for the year 2025.
- Appropriate accounting policies have been consistently applied except for the changes, if any, which have been appropriately disclosed in the financial statements.
- The Committee reviewed quarterly, half-yearly and annual financial statements of the Company and recommended them for approval of the Board of Directors.
- Accounting estimates are based on reasonable and prudent judgment.
- The Company in accordance with the Companies Act, 2017, has maintained proper and adequate accounting records and the external reporting is consistent with management process and adequate for shareholders’ needs.
- The Chief Executive Officer, Director and the Chief Financial Officer have endorsed the financial statements of the Company, while the Chief Executive Officer and a Director have signed the Directors’ Report. They acknowledge their responsibility for true and fair presentation of the Company’s financial condition and results, compliance with regulations, applicable accounting standards, establishment, and maintenance of internal controls and systems of the Company.
- The Committee has reviewed all related party transactions prior to approval by the Board.
- The Company has issued a “Statement of Compliance with the Code of Corporate Governance” which has also been reviewed and certified by the External Auditors of the Company.
- Understanding and compliance with Company codes and policies has been affirmed by the members of the Board, the Management and employees of the Company. Equitable treatment of shareholders has also been ensured.
- Trading and holdings of Company’s shares by Directors and executives or their spouses were notified in writing to the Company Secretary along with the price, number of shares, form of share certificates and nature of transaction which were notified by the Company Secretary to the Board within the stipulated time. All such holdings have been disclosed in the Pattern of Shareholding.
- Closed periods were duly determined and announced by the Company, precluding the Directors, the Chief Executive Officer and Executives of the Company from dealing in Company shares, prior to each Board meeting involving announcement of interim / final results, distribution to shareholders or any other business decision, which could materially affect the share market price of Company, along with maintenance of confidentiality of all business information.

Risk Management and Internal Controls

- The Company has developed a sound mechanism for identification of risks and assigning appropriate criticality level and devising appropriate mitigation measures which are regularly monitored and implemented by the management across all major functions of the Company and presented to the Audit Committee for information and review.
- The Company has devised and implemented an effective internal control framework which also includes an independent internal audit function, which is duly reviewed by the Committee for effectiveness.
- The Internal Audit department is responsible for monitoring of compliance, inherent and other risks associated with the internal controls and other areas of operations of the Company.
- The Company’s approach towards risk management and types and detail of risks along with mitigating measures are disclosed in relevant section of the Annual Report.

Internal Audit

- The Company’s system of internal controls is sound in design and has been continually evaluated for effectiveness and adequacy.
- The Audit Committee has ensured the achievement of operational, compliance, risk management, financial reporting and control objectives, safeguarding of the assets of the Company and the shareholders’ wealth at all levels within the Company.
- The Internal Audit department has carried out its duties under the charter defined by the Committee. The Committee has reviewed material Internal audit findings, took appropriate action or brought the matters to the Board’s attention where required.
- Audit Committee has provided proper arrangement for staff and management to report to Audit Committee in confidence, concerns, if any, about actual or potential improprieties in financial and other matters. Adequate remedial and mitigating measures are applied, where necessary.
- The Head of Internal Audit has direct access to the Chairman of the Audit Committee. At year-end meeting, the Committee met HOIA without the presence of the management. The management supported internal audit activities and provided all the required information on timely basis in a transparent manner.

The recommendations of the internal auditors were agreed for implementation in due course of time and there was no point of conflict between the management and the internal auditors.

- The Committee has ensured staffing of personnel with sufficient internal audit acumen and that the function has all necessary access to Management and the right to seek information and explanations.
- Coordination between the External and Internal Auditors was facilitated to ensure efficiency and contribution to the Company’s objectives, including a reliable financial reporting system and compliance with laws and regulations.

External Auditors

- The statutory auditors of the Company, M/s. Yousuf Adil, Chartered Accountants, have completed the audit of financial statements of the Company for the year ended June 30, 2025 and review of the “Statement of Compliance with the Code of Corporate Governance” for the year ended June 30, 2025 and shall retire on the conclusion of the 39th Annual General Meeting.
- The Audit Committee has discussed the audit process and the observation, if any, of the External Auditors regarding the preparation of the financial statements including compliance with the applicable regulations or any other issues.

- The External Auditors attended all the Audit Committee meetings where their reports were discussed. At year-end meeting, the Committee met the External Auditors without the presence of the management. The Committee discussed the audit process and any observation identified during audit of the financial statements and checking compliance with the applicable regulations or any other issues.
- The External Auditors also attended General Meetings of the Company during the year and have confirmed attendance of the 39th Annual General Meeting scheduled for Oct 21, 2025. The Auditors have also indicated their willingness to continue as auditors.
- The External Auditors do not provide any services other than external audit of the Company. The audit firm has no financial or other relationship of any kind with the Company except that of External Auditors.
- Being eligible, M/s. Yousuf Adil, Chartered Accountants have offered themselves to be re-appointed as auditors for the financial year 2025-2026. The Committee being satisfied with the performance of external auditors has recommend them to the Board for reappointment for the year ending June 30, 2026.

Annual Report 2025

- The Company has issued a very comprehensive Annual Report which besides presentation of the financial statements and the Directors’ Reports of the Company, also discloses other information much in excess of the regulatory requirements to offer an in depth understanding about the management style, the policies set in place by the Company, its performance during the year, and future prospects to various stakeholder of the Company.
- The information has been disclosed in the form of ratios, trends, graphs, analysis, explanatory notes and statements etc., and the Audit Committee believes that the Annual Report 2025 gives a detailed view of how the Company evolved, its state of affairs and future prospects.

Self - Evaluation of The Audit Committee

- The Audit Committee believes that it has carried out responsibilities to the full, in accordance with terms of reference approved by the Board, which included principally the items mentioned above and the actions taken by the Audit Committee in respect of each of these responsibilities. Evaluation of the Board performance, which also included members of the Audit Committee was carried out separately.

Whistle Blowing

- The Company has approved the whistle blowing policy in place & during the year there was no instance which was reported to the Audit Committee.

Tayyeb Afzal

Tayyeb Afzal
Chairman
Board Audit Committee

Karachi:
Date: August 06, 2025

Terms of Reference of Committees of The Board

The Board of Directors have constituted Audit Committee and Human Resource and Remuneration Committee to work under its guidance. Details about the composition and terms of reference of both committees are as under:

Audit Committee:

Mr. Tayyeb Afzal	Chairman (Independent)
Mr. Farooq Advani	Member (Independent)
Mr. Bilal Shahid Anwar	Member (Non-Executive)
Mr. Ghazanfer Yaseen	Secretary

The committee consists of three members, including two independent directors, one of them also serves as the chairman.



Purpose and Independence

The BAC's primary objective is to adhere to the Listed Companies (Code of Corporate Governance) Regulations, 2019, and carry out tasks assigned by the Board accordingly. These responsibilities encompass reviewing and advising on financial policies and reports, ensuring the Company's financial practices align with these regulations, and investigating any financial matters that arise.

Meeting

The BAC meets at least once every quarter of each financial year. The secretary of BAC calls meetings at the request of the BAC chairman, the external auditors, or the head of internal audit. Unless all BAC members unanimously agree otherwise in writing, each member of the BAC and any other person required to attend will receive notice of each meeting confirming the venue, time, date, and agenda of items to be discussed no later than seven calendar days before the meeting.

Quorum of Meetings

A minimum of two (2) members must be present to constitute a quorum. If the Chairman of the BAC is unavailable for a valid reason, another member of the BAC may lead the meeting with the consensus of the committee.

Minutes of Meeting

The BAC Secretary shall circulate the draft minutes of the meeting to all BAC members, the Head of Internal Audit, and the CFO within seven (7) calendar days of the meeting. The final minutes shall be circulated within fourteen (14) calendar days of the meeting. If this is not practicable, the BAC Chairman shall communicate a synopsis of the proceedings to the Board, which shall be prepared by the BAC Secretary. The minutes of the BAC meeting shall be approved by the Chairman of the next BAC meeting.

Terms of Reference

a) Financial Reporting

- Oversee the preparation of financial statements and disclosures that are in accordance with applicable laws and regulations and reasonably portray the company's financial condition, results of operations, plans, and long-term commitments.
- Review the annual financial statements of the company prior to their approval by the board, focusing on:
 - Major judgmental areas
 - Significant adjustments resulting from the audit
 - The going concern assumptions
 - Any changes in accounting policies and practices
 - Compliance with applicable accounting standards
 - Compliance with statutory and regulatory requirements
 - All related party transactions
- Determine the company's compliance with relevant statutory requirements.
- Review the external auditors' opinion on the financial statements of the company.
- Review management letters issued by external auditors and the management responses thereto.

b) Oversight of Controls

- Understand the company's system of internal control and control process.
- Review material findings of audit and ascertain that the internal control system, including financial controls, accounting system, and reporting structure, are adequate and effective.
- Review the company's statement on internal controls prior to endorsement by the board and internal audit reports.

c) Internal Audit

- The BAC has oversight of the internal audit function.
- The Head of Internal Audit reports to the BAC and has direct access to the Chairman of the BAC and its members.
- The BAC reviews the scope and extent of internal audit and ensures that it has adequate resources and is appropriately placed within the company.
- The BAC approves the internal audit plan and ensures that it is aligned with the BAC's own goals and objectives.
- The BAC reviews the results of internal audits and considers any major findings or recommendations.
- The BAC may advise internal audit department to perform investigations or other services in matters of concern to the BAC.
- The BAC considers any other issue or matter as may be assigned by the Board.

Human Resource & Remuneration Committee (HR&RC):

Mr. Mazhar Valjee	Chairman (Independent)
Mr. Adeel Shahid Anwar	Member
Mr. Bilal Shahid Anwar	Member (Non-Executive)
Mr. Farooq Advani	Member (Independent)
Ms. Samar Shahid	Member (Non-Executive)
Ms. Humera Ahmad	Secretary

The Human Resource and Remuneration Committee (HR&RC) is constituted by the Board of Directors. It is comprised of five members, with a majority being non-executive directors. There are two Independent Directors including the Chairman.



Meeting

The HR&RC met in a financial year and may meet more often if requested by a member of the Board, the committee itself, or the CEO. The HR head or any other person appointed by the Board may act as the Secretary of the committee.

The committee member do not participate in the proceedings of the committee when an agenda item relating to his/her performance or review, or renewal of the terms and conditions of his/her service comes up for consideration.






















Terms of Reference

- Recommends to the board a policy framework for determining remuneration of directors and senior management.
- Undertakes an annual formal process of evaluating the performance of the board as a whole and its committees.
- Recommends human resource management policies to the board.
- Evaluates the performance of the executive officer and reviews the company's management succession plan.
- Recommending to the Board the selection, evaluation, compensation, development (including retirement benefits) and succession planning of the CEO, Chief Operating Officer, Chief Financial Officer, Company Secretary and Head of Internal Audit.
- Employee reward and performance management.
- Consideration and approval on recommendations of chief executive officer on such matters for key management positions who report directly to chief executive officer or chief operating officer.
- Oversees employee development by monitoring HR aspects of organizational learning and development.

- Ensures that the performance management system is achieving its objectives of fairly rewarding employee performance and is in line with company objectives.
- Has authority to discuss any relevant matters with management and to request appropriate reports, explanations, and/or activity modifications.
- May delegate its authority to the chairman or any other member of the committee when it deems appropriate and in the best interest of the company.
- Oversee sustainability governance, setting strategies, priorities, and targets for long-term value creation while ensuring compliance with ESG guidelines.

Directors' Participation in Board and Sub Committee Meetings

The attendance of the directors is as follows:

Name of Director	Number of Meetings Attended					Human Resource & Remuneration Committee Online
	Board Meeting In-Person	Board Meeting Online	Audit Committee In-Person	Audit Committee Online	Human Resource & Remuneration Committee In-Person	
Meetings held during 2024-2025						
Mr. Mazhar Valjee		-	N/M	-		-
Mr. Shahid Anwar		-	N/M	-	N/M	-
Mr. Adeel Shahid Anwar*		-	N/M	-		-
Mr. Bilal Shahid Anwar				-		
Mr. Farooq Advani		-		-		-
Mr. Tayeb Afzal		-		-	N/M	-
Ms. Samar Shahid			N/M	-		-

👤 In-Person
📺 Online

*Mr. Adeel Shahid Anwar attended all meetings of the Audit Committee by way of invitation

N/M: Not a member

Leave of absence was granted to the Directors who could not attend the Meetings due to their preoccupations

IT Governance & Cybersecurity

Governance Framework

The Company has instituted a comprehensive IT governance framework to ensure strategic alignment of technology with organizational objectives and delivery of sustainable business value. The framework is anchored in well-defined policies, standards, and accountability structures, embedding IT governance as an integral element of the enterprise management ecosystem.

The governance model operates across five core domains:

- Policy Formulation & Implementation
- IT Roadmap & Budget Oversight
- IT Security Strengthening
- Infrastructure Management
- Risk & Compliance Monitoring



This construct ensures optimized resource utilization, enterprise-wide alignment, proactive risk management, and consistent value delivery.

Board Oversight & IT Steering Committee

Cybersecurity oversight is exercised through the IT Steering Committee, comprising the CEO, two Directors, CFO, and Head of IT. The Committee reviews IT strategy, monitors cyber risk posture, and evaluates financial, reputational, and compliance exposures, escalating critical matters to the Board.

The Head of IT lead enterprise risk assessments, oversees employee training, and reports findings to the Committee. Independent third-party audits validate the security framework against international standards, while the Internal Audit function provides assurance through periodic reviews of IT controls and backup management.

IT Security Policy

The Company's IT Security Policy is designed to ensure business continuity, data integrity, and resilience. The policy encompasses:

- Protection against unauthorized access, misuse, or modification.
- Safeguarding confidentiality, integrity, and availability of information assets.
- Compliance with ISMS standards, regulatory requirements, and audit protocols.
- Deployment of multi-layered security architecture (firewalls, user authentication, network segmentation).
- Periodic testing of Disaster Recovery and Business Continuity Plans.
- Cybersecurity training for all employees.
- Structured escalation of actual or suspected breaches through Internal Audit.

Cybersecurity Controls & Procedures

The Company's cybersecurity strategy is underpinned by defense-in-depth architecture, leveraging advanced monitoring and analytics tools. A centralized Firewall Log Analyzer enables proactive threat detection, orchestration, and reporting.

Core security measures include:

- Cloud Email Security
- Endpoint Detection & Response (EDR) Systems
- Internet Access Management
- Centralized Security Analytics
- Enterprise-wide Posture Awareness
- Restricted Administrative Privileges
- Physical Security Safeguards

Early Warning & Incident Response

A Cybersecurity Early Warning System is in place to detect, assess, and escalate risks in real time. This system supports proactive monitoring, rapid incident response, and compliance with structured incident reporting protocols and threat intelligence sharing frameworks.

Disaster Recovery & Business Continuity

The Company utilizes Oracle Fusion Cloud for its core operations. Oracle ensures high availability, data replication across multiple regions, and disaster recovery at the infrastructure level, minimizing the risk of downtime due to system or site failures. Moreover, the Company maintains:

- Data-level controls for information misuse and user level errors.
- Business continuity procedures to ensure critical operations continue in the event of disruption or accidental data loss.

This approach ensures that both system-level and business-level recovery objectives are addressed comprehensively.

Cyber Insurance

Resilience and steadiness are supported through established DRP and BCP frameworks. Ongoing monitoring, periodic audits, and a robust control environment have supported in no incidence of cyber events. While the Company has not procured a dedicated cyber insurance policy, these measures collectively reduce reliance on external risk-transfer mechanisms.

Digital Transformation

In alignment with Industry 4.0, the Company has modernized its IT infrastructure by migrating from on-premises Oracle E-Business Suite to Oracle Fusion Cloud ERP.

- Phase I (Jan 2023): AR, AP, Core Financials, Cash Management, Procurement, Project & Contract Management.
- Phase II (Jan 2024): Budgetary Control, Fixed Assets, Enterprise Asset Management (EAM), Manufacturing & Maintenance.

This migration has enhanced process integration, operational visibility, and positioned the Company to leverage AI, RPA, and IoT for long-term value creation.

Leveraging Oracle Fusion ERP's advanced capabilities, the Company continued to optimize end-to-end processes, enabling real-time data insights, improved decision-making, and reduced manual interventions.

Key achievements included the rollout of the Supplier Relationship Management (SRM) Portal, implementation of barcode systems (Phase-I: covering Raw Material, Production and Waste), business intelligence dashboards, and Phase I automation of bank reconciliation (MT-940). HR and L&D processes were also digitalized through hiring trackers, talent mapping via Google Looker Studio, and QR-based assessments.

Digital Initiatives

- Adoption of Diligent Boards Software for centralized record management, governance, compliance, and efficient board meetings.
- Transition towards paperless workflows and digital payments through a secure web portal with integrated approval hierarchies.
- Deployment of facial recognition attendance systems, improving labor management efficiency and accuracy.

Network & Data Security

In FY 2024-25, the Company upgraded its network infrastructure, significantly improving internet speed, performance, and reliability. Robust cybersecurity safeguards — including password policies, firewall protections, access controls, DLP, and USB Locking initiatives — reinforced the security of the Cloud ERP environment. Paper usage was further reduced through integrated digital workflows.

Employee Training & Awareness

Recognizing human factors as a critical defense layer, the Company conducts regular training sessions, workshops, and awareness campaigns to instill cybersecurity vigilance and best practices.

The recently launched IT Security Awareness Campaign reinforces the importance of data protection, regulatory compliance, and employee accountability in safeguarding organizational assets.

Future Roadmap

The Company remains committed to strengthening its IT governance and cybersecurity framework. Looking ahead, focus areas include:

- Implementation of barcode systems (Phase-II: covering store items).
- Integration with FBR for Sales Tax Invoices
- Revamping of assets tracking and its connectivity with Oracle fusion
- Evaluating cyber insurance to enhance risk coverage.
- Leveraging advanced analytics and AI tools for early threat detection.
- Expanding digital transformation initiatives to improve operational efficiency.
- Phase II automation of bank reconciliation (MT-940)
- Continuous staff training to embed a culture of cyber vigilance.

Through these initiatives, the Company aims to safeguard its digital assets, ensure resilience, and create sustainable value for all stakeholders.

Risks and Opportunities

The Board of TTML holds primary responsibility for identifying potential events that may impact the Company and for implementing measures to effectively manage associated risks. This principle keeps the Company within its risk appetite and helps to achieve its corporate objectives.

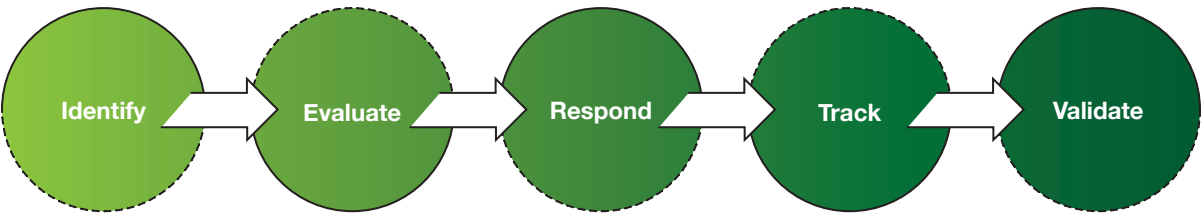
TTML’s Risk Management Approach goes hand in hand with the development and execution of the Company’s strategy. By doing so, TTML paves the way for preemptive risk mitigation measures that will complement our business objectives and increase our corporate value. TTML is exposed to various risks, however, through comprehensive planning and an acute business understanding of the management, the Company continues to identify and mitigate actual, potential and perceived risks. The Company maintains an established control framework comprising clear structures, authority limits and accountabilities, well implemented policies and procedures and budgeting for review processes.

Risk Management Framework and Approach

TTML has implemented an enterprise-wide Risk Management Framework which sets out how risk management principles are embedded across business operations and integrated into decision-making processes at all levels. Risk Management Framework is essential for effectively identifying, assessing, and handling risks while capitalizing on opportunities. The Audit Committee regularly reviews financial and operational risks. TTML’s approach involves risk management, where risks are prioritized by their impact and addressed accordingly. This method ensures operational efficiency and lays the foundation for a resilient risk culture. Our framework covers risk identification, measurement, mitigation, reporting, monitoring, and governance, all supported by TTML’s Risk Management Policy. This structure encourages responsible risk management, independent assurance, clear reporting, and strong controls, ultimately fortifying our company’s stability and growth.

Risk Management Methodology

Risk management at TTML involves embedding sound risk management practices in business decisions and operations across the Company. Effective risk management requires a continuous and iterative process and involves the following steps:



1. Define Objectives & Identify Risks: We evaluate the business context to understand its potential impact on our risk profile and determine appropriate mitigation measures.
2. Evaluate & Prioritize Risks: Identified risks are analyzed to gauge their severity on TTML’s ability to achieve its strategy and objectives. Assessment is conducted across multiple levels, recognizing that risks may vary by function.
3. Plan & Implement Responses: An action plan is developed, outlining responses such as avoidance, mitigation, transfer, or acceptance of risk.
4. Track, Report & Escalate: Management regularly reviews significant risks, tracks mitigation measures, and reports progress to ensure alignment with SPL’s risk management framework.
5. Validate & Assure: Management ensures that risk practices remain effective, aligned with TTML’s risk appetite, and continuously enhanced through regular oversight and process improvement.

Risk Governance and Framework Oversight

TTML’s risk management policies and procedures are thoroughly documented and consistently applied across the organization. The framework undergoes regular reviews and updates to adapt to evolving business conditions and emerging risks. TTML’s Risk governance structure includes various layers of responsibility, from the board level down to operational teams, with each level playing a distinct role in risk oversight.

Determining Level of Risk Tolerance and Tolerance

TTML’s approach to risk management is designed to provide reasonable, but not absolute, assurance that our assets are safeguarded, the risks facing the business are being assessed and mitigated, and all information that may be required to be disclosed is reported to Company’s senior management, including the CEO, COO and CFO. TTML has clearly defined its risk appetite and tolerance levels which reflects the level of risk we are prepared to accept in pursuit of our strategic objectives, while our risk tolerance establishes specific thresholds for acceptable risk levels. These parameters are aligned with our strategic goals and stakeholder expectations.

Policy

The Company has a risk management policy, approved by the Board, which supports strategic and business objectives, and ensures the continuity of operations in all circumstances. The Risk Management Policy of the company provides a structured framework to identify, assess, and manage risks that may impact business objectives. The Board of Directors oversees risk governance through the Audit Committee, while management ensures effective controls and mitigation are in place. Risks are systematically identified across operational, financial, strategic, compliance, and reputational areas, documented in a digital risk register, and addressed through defined strategies. Internal Audit independently reviews controls and reports to the Audit Committee. This policy safeguards resources, ensures compliance, supports business continuity, and promotes accountability, continuous improvement, and sustainable growth.

Robust Assessment of the Principal Risks and Uncertainty

The Board of Directors of the Company has established corporate strategy and business objectives. Conducting a robust assessment of the principal risks is essential for maintaining the integrity and sustainability of the corporate objectives. The Board’s Audit Committee is responsible for internal control in the company. The Internal and External Auditors’ reports are submitted to the Audit Committee for its review, which after detailed deliberations and with improvement suggestions are submitted to the Board of Directors.

TTML is exposed to a range of internal and external risks which, if not effectively managed, could adversely impact its business model, financial performance, and long-term sustainability. The Board of Directors conducts a vigilant and thorough assessment of principal risks, focusing on those that could threaten the Company’s operations, solvency, or liquidity. The key risks currently faced include:

- Macroeconomic Risk: Persistently high inflation and unstable economic and political conditions have a significant impact on company’s financial resilience.
- Geopolitical and Market Risk: Sales remain under pressure due to geopolitical tensions, supply chain disruptions, and reduced demand driven by inflation, putting pressure on sales volumes and revenue growth.
- Currency and Financial Risk: Exchange rate volatility increases the cost of imported raw materials, while high policy rates significantly impact financing costs, potentially affecting solvency and liquidity.
- Operational Risk: Rising inflation, particularly in energy and fuel costs, escalate conversion costs, directly impacting profitability and liquidity.

- Technological Risk: Failure to keep pace with technological advancements could lead to inefficient processes, product obsolescence, and reduced competitiveness, threatening long-term sustainability.
- Regulatory and Legal Risk: Rapid changes in trade policies, including custom duties and taxation, pose compliance challenges.
- Competitive Risk: Intensifying domestic and global competition puts downward pressure on margins, potentially affecting profitability and market share.

The following section provides a detailed analysis of operational, IT, regulatory, legal, political, and strategic risks.

Risk Analysis Matrix

Probability				
Impact	High	Unlikely	Likely	Most Likely
		Medium	High Cotton price volatility High-Interest rates adversity	High Economic and political instability of the country Rising cost of energy
	Medium			
		Low Risk of litigation Skilled Employees Turnover Bad Debt	Medium Changes in laws and regulations Technological advancement Exchange Rate Volatility Information System and Cyber Security Risk	High Natural Disaster Risk of global supply chain disruption
	Low			
		Low Maintenance Risk Health, Safety and Environmental Risks	Low	Medium

Following are the major principal risks, which may affect our business operations and mitigating strategies for controlling these risks. Sources of risks, assessment of likelihood and magnitude of their impact are also mentioned against each risk.

Strategic Risks

Risk	Area of Impact	Source of Risk	Mitigating Strategy
<p>Economic and political instability of the country</p> <p>Unstable economic and political conditions can make it difficult for businesses to make strategic business and investment decisions and maximize returns. Changes in the external environment can also have a significant impact on businesses.</p> <p>Assessment: Likelihood: Most Likely Impact: High</p> <p>Ranking: 1</p>	<p>Financial Capital, Social & Relationship Capital</p> <p>Strategic Objectives: Sales growth and profitability</p>	External	<p>The Company believes in an open and transparent relationship with the Government, regulator and other political stakeholders. As part of APTMA, Company through its representatives, provides valuable suggestions to the regulator, particularly during the budgetary process through APTMA.</p> <p>We regularly monitor the economic and legal impacts of Government policies and political actions on the Company.</p>
<p>Changes in laws and regulations</p> <p>Non-compliance with applicable laws and regulations can have a negative impact on a company's image and reputation. This can lead to decreased customer confidence, damaged relationships with stakeholders, and increased legal and financial risks.</p> <p>Assessment: Likelihood: Likely Impact: Medium</p> <p>Ranking: 7</p>	<p>Financial Capital, Social & Relationship Capital</p> <p>Strategic Objectives: Sales growth and profitability</p>	External	<p>The Company keeps a close watch on changes in regulations and promptly adjusts its business strategy and operations to take advantage of the offered incentives and disseminate the information to all relevant process owners.</p>
<p>Technological advancement</p> <p>The failure to keep up with technological advancements can render production processes obsolete and inefficient, delay the launch of technologically-intense products, or make existing products relatively obsolete, all of which can negatively impact sales.</p> <p>Assessment: Likelihood: Likely Impact: Medium</p> <p>Ranking: 8</p>	<p>Intellectual Capital, Manufacturing Capital</p> <p>Strategic Objectives: Continuous improvement and innovation</p>	External / Internal	<p>To achieve cost competitiveness and optimum production efficiency, the company is continuously incurring substantial investments in BMR of its existing manufacturing facility, opting for the latest state-of-the-art technology. In addition to using OPT Cotton for raw material planning, the Company has implemented Barcode technology to enhance stock tracking and control. Further, the company invested in an advanced cloud-based ERP, Oracle Fusion, to address evolving business and reporting requirements. Moreover, the company is investing in business-intelligence enabled dashboard and process automation.</p>

Operational Risks

Risk	Area of Impact	Source of Risk	Mitigating Strategy
<p>Rising cost of energy</p> <p>The rising cost of energy in Pakistan can have a significant impact on businesses, specially cost of Natural gas leading to reduced productivity and operational disruptions.</p> <p>Assessment: Likelihood: Most Likely Impact: High</p> <p>Ranking: 2</p>	<p>Financial Capital</p> <p>Strategic Objectives: Sales growth and profitability</p>	External	<p>TTML manages it through a well-diversified energy strategy. The Company leverages alternative energy sources, including solar power plants, and optimizes their utilization based on availability, cost efficiency, and environmental impact. This approach ensures a balanced energy mix while keeping overall energy costs at the lowest possible level.</p>
<p>Cotton price volatility</p> <p>The cost of raw materials is a significant component of the cost of goods sold. An increase in the price of raw materials will have a direct impact on profitability and price competitiveness.</p> <p>Assessment: Likelihood: Likely Impact: High</p> <p>Ranking: 3</p>	<p>Financial Capital</p> <p>Strategic Objectives: Sales growth and profitability</p>	External	<p>Although market conditions remain unpredictable, TTML mitigates this risk through a proactive procurement strategy. The Company's dedicated and experienced procurement team leverages its expertise, diversified supplier base, and high-volume purchasing to minimize exposure. In addition, TTML follows a diversified sourcing strategy to reduce dependency on any single supplier, continuously monitors commodity markets to adjust procurement plans, and builds inventory buffers for high-risk materials.</p>
<p>Risk of global supply chain disruption</p> <p>These disruptions such as recent red sea crises pose a significant risk by potentially increasing the cost and time for importing raw materials and exporting finished goods. Such risks could lead to delays in production schedules, increased inventory holding costs, and reduced competitiveness in international markets.</p> <p>Assessment: Likelihood: Most Likely Impact: Medium</p> <p>Ranking: 6</p>	<p>Financial Capital</p> <p>Strategic Objectives: Sales growth and profitability</p>	External	<ul style="list-style-type: none">- Real-time monitoring of geopolitical developments impacting trade.- Adequate levels of stock are maintained and are readjusted, if there is any disruption.- Procurement of local cotton.
<p>Skilled Employees Turnover</p> <p>High turnover of skilled employees can disrupt operations, make it difficult to find replacements, and increase costs. It can also prevent the company from achieving its goals.</p> <p>Assessment: Likelihood: Unlikely Impact: Medium</p> <p>Ranking: 12</p>	<p>Human Capital</p> <p>Strategic Objectives: Enhance skills and capabilities of employees to support value-creation</p>	Internal	<p>The Company is committed to providing a healthy and inclusive work environment with equal growth opportunities. It emphasizes fair remuneration, career development, and succession planning, while strengthening employee benefits, encouraging internal promotions and rotations, and ensuring effective offboarding with proper notice and knowledge transfer to retain and nurture talent.</p>

Risk	Area of Impact	Source of Risk	Mitigating Strategy
Information System and Cyber Security Risk Technology risks having potential impact due to technology disruption, cyber-attack and breaching of controls to disrupt business processes posing adverse impact on confidentiality, integrity and functioning of organization processes. Assessment: Likelihood: Likely Impact: Medium Ranking: 10	Financial capital Strategic Objective: Sales growth and profitability Continuous improvement and innovation	External / Internal	The Company ensures data security through encrypted transmissions, secure connections, and firewalls to prevent malicious activity. Robust backup mechanisms and alternate processing sites safeguard continuity, while periodic reviews, IT audits, penetration testing, multi-factor authentication, and employee training strengthen cybersecurity controls and ensure compliance with evolving data protection standards.
Natural Disaster Impact on business and production facilities in case of natural disaster. Assessment: Likelihood: Most likely Impact: Medium Ranking: 5	Manufactured Capital Strategic Objectives: Sales growth and profitability	External	Field SOPs and emergency preparedness guidelines are in place to deal with situations related to extreme weather conditions such as flooding, earthquake etc. The Company has its production facilities in three different cities, reducing the probability of natural disasters impacting entire company's operations. The Company has comprehensive insurance coverage in case of any catastrophic event. Further, the Company has well-established disaster recovery plan and data backup to coup-up any unwarranted event.
Maintenance Risk Possibility of production loss due to capacity or breakdown factor. Assessment: Likelihood: Unlikely Impact: Low Ranking: 14	Manufactured Capital Strategic Objective: Sales growth and profitability	Internal	Effective technical monitoring programs with regards to preventive maintenance are in place to ensure maximum plant efficiency and capacity utilization. The company has successfully implemented Enterprise Asset Management (EAM) to effectively manage and maintain its operational assets and equipment and scheduled maintenance of the assets.

Compliance Risks

Risk	Area of Impact	Source of Risk	Mitigating Strategy
Risk of litigation Risk of potential exposure to significant legal proceedings. Any instance of non-compliance may result in regulatory penalties, loss of customers, and damage to its reputation. Assessment: Likelihood: Unlikely Impact: Medium Ranking: 11	Social and Relationship Capital Strategic Objective: Sales growth and profitability	External	Zero tolerance stance of the Company against any non-compliance, whether internal or external. Checklists of all applicable laws, rules regulations, and social audit standards, are maintained, updated regularly, and periodically reviewed by IAD to ensure compliance with legal requirements. Significant litigation cases are handled through reputable law firms engaged by the company which specialize in particular areas. Additionally, in house legal affairs team supports operations by effective SOPs and additional review steps for significant contractual and regulatory obligations of the Company.
Health, Safety and Environmental Risks Actual or potential threat of adverse effects on the environment arising out of the Company's activities. Workplace accidents and injuries can lead to increased expenses, legal responsibilities, harmed reputation, reduced efficiency, and lowered employee spirits, all of which collectively affect the company's overall performance. Assessment: Likelihood: Unlikely Impact: Low Ranking: 15	Natural capital, Social/ Human Capital Strategic Objective: Sales growth and profitability Continuous improvement and innovation	Internal	Various environmentally friendly initiatives such as Solar Project, Tree plantation drives, water management, recycling, energy emissions, Waste Heat Recovery unit and River Osmosis (RO) plant are being implemented, thus reducing environmental harm. The company focuses on energy conversation, operational efficiencies and carbon footprint reduction. The company has implemented a comprehensive safety and security policy across its facilities, including regular safety inspections, fire safety procedures, employee training, and in providing employees with health and life insurance. The safety and security policy are regularly reviewed and updated to ensure that it remains effective.

Financial Risks

Risk	Area of Impact	Source of Risk	Mitigating Strategy
<p>Exchange Rate Volatility</p> <p>The devaluation of the Pakistani rupee against foreign currencies could have a material adverse impact on the company's financial performance. The company imports a significant portion of its raw materials and components, and the devaluation will make these imports more expensive. Further, the Company has obtained a Foreign Exchange Loan (FE-Loan) to finance its import as well as exports.</p> <p>As a result, the company's profits could decline, and its financial performance could be materially adversely affected.</p> <p>Assessment: Likelihood: Likely Impact: Medium</p> <p>Ranking: 9</p>	<p>Financial Capital</p> <p>Strategic Objectives: Sales growth and profitability</p>	<p>External</p>	<p>A dedicated finance team actively monitors the forex market, leveraging fluctuations to the Company's advantage. Foreign exchange exposure reports are regularly reviewed to forecast potential risks and ensure timely mitigation.</p>
<p>High-Interest rates adversity</p> <p>Interest rate hikes can make it challenging for businesses to make sound investment and financing decisions. This can lead to investor uncertainty, which can have a negative impact on shareholder returns.</p> <p>Assessment: Likelihood: Likely Impact: High</p> <p>Ranking: 4</p>	<p>Financial Capital</p> <p>Strategic Objectives: Sales growth and profitability</p>	<p>External</p>	<p>To mitigate the impact of rising interest rates, the company focuses on reducing its working capital requirements. By optimizing inventory levels, improving receivables management, and streamlining payables, TTML aims to decrease its reliance on borrowed funds.</p>
<p>Bad Debts</p> <p>The Company's cash flow and profitability could be adversely affected by bad debts.</p> <p>Assessment: Likelihood: Unlikely Impact: Medium</p> <p>Ranking: 13</p>	<p>Financial Capital</p> <p>Strategic Objectives: Sales growth and profitability</p>	<p>Internal</p>	<p>The company diligently assesses customer financial health and creditworthiness during onboarding and continually evaluates them. This proactive approach to risk management helps mitigate the potential impact of bad debts, ensuring a more secure financial position.</p> <p>The company assess and make provision of doubtful debts as per the policy.</p>

Opportunities

Opportunity	Area of Impact	Source	Strategic Objective
<p>Deployment of state-of-the-Art machinery</p> <p>State-of-the-art technology for production resulting in efficiencies and lower costs. This will result not only in attracting and retaining new customers but will also increase value for stakeholders.</p>	<p>Manufactured Capital</p> <p>Strategic Objective: Continuous improvement and innovation</p>	<p>Automate repetitive and time-consuming tasks using Robotic Process Automation (RPA) and AI-driven analytics to optimize workflows and reduce operational costs.</p>	<p>Establish top-tier productivity standards in technology, processes, and systems by exploring IoT possibilities to increase machine efficiencies and optimization of Inventory management and control system. Utilization of Dashboards and automation to continuously enhance our operations efficiency, and make informed decisions. The Company has implemented automated reconciliation through MT940 for efficient and accurate bank statement matching.</p>
<p>Sustainable and Eco-friendly Products</p> <p>There is growing consumer demand for eco-friendly and sustainable textiles. Developing products using organic cotton, recycled fibers, and environmentally friendly processes can open up new market segments.</p>	<p>Social and responsibility Capital</p> <p>Strategic Objectives: Build organization's sustainability reputation through increased ESG focus</p>	<p>Invest in sustainable sourcing, develop green certifications, and market products as environmentally conscious alternatives</p>	<p>Committed to sustainable practices that contribute to the betterment and long-term well-being of society. This includes environmentally conscious initiatives, social responsibility projects, and community engagement efforts.</p>
<p>Digital Transformation and AI</p> <p>Leveraging digital tools for supply chain management, customer engagement, and predictive analytics can improve operational efficiency and customer satisfaction.</p>	<p>Intellectual capital</p> <p>Strategic Objectives: Continuous improvement and innovation</p>	<p>Implement ERP systems, enhance digital marketing efforts, and use data analytics to optimize production and supply chain decisions.</p>	<p>Establish top-tier productivity standards in technology, processes, and systems by use of AI, exploring IoT possibilities to increase machine efficiencies, Optimization of Inventory management and control system. Utilization of Dashboards and automation to continuously enhance our operations efficiency, and make informed decisions.</p>
<p>Efficient and congenial work environment</p> <p>An effective and congenial work environment presents significant opportunities for a business. Such an environment enhances productivity, employee satisfaction, and overall organizational performance. By focusing on creating a positive and efficient workplace, companies can achieve higher employee retention, improved teamwork, and increased innovation.</p>	<p>Human Capital</p> <p>Strategic Objectives: Enhance skills and capabilities of employees to support value-creation</p>	<p>Provide congenial work environment where employee feels motivated for work</p>	<p>Strategically enrich employee skills and capabilities by offering a range of internal and external capacity development programs essential for fostering value creation. Additionally, this approach will facilitate the recruitment of a substantial pool of qualified, young talents with the potential to evolve into the next generation of highly skilled specialists and executives. The Company ensures to create value and to keep the employees motivated and loyal by providing Optimal growth opportunities, Market based remuneration package, Career planning and development through mentoring and trainings and Succession planning with the aim to create future leaders.</p>

Risk of Supply Chain: Environmental, Social, and Governance Incidents

In line with TTML’s commitment to transparency, we are addressing potential risks related to supply chain disruption in this annual report. As a yarn manufacturing company heavily reliant on cotton, we recognize the impact that environmental, social, and governance incidents can have on our supply chain.

Risk	Mitigation
Environmental Risks: Acknowledge the vulnerability of our cotton supply to environmental factors such as climate change, adverse weather conditions, and water scarcity.	TTML's strategy involves collaborating closely with cotton suppliers to enhance their sustainability practices. We maintain optimum raw material inventory levels to avoid the import of raw materials in the short term. In the long run we procure imported raw material.
Social Risks: Labor issues, human rights concerns, and social unrest can affect the stability of our cotton supply.	We actively engage with our suppliers to ensure safe working conditions, and adherence to ethical standards. Regular assessments & supplier evaluations are conducted to monitor compliance and address any potential disruptions stemming from social issues.
Governance Risks: Effective governance is crucial in maintaining the integrity of our supply chain.	We closely monitor regulatory changes and potential shifts in governance that might impact our cotton suppliers. TTML's approach through assessment of suppliers includes thorough due diligence to ensure suppliers operate within legal frameworks and uphold ethical business practices.

Sustainability and Corporate Social Responsibility (CSR)



Leadership’s Commitment on Corporate Social Responsibility

Making a difference in society as an ethical corporate citizen is an objective we value strongly. We want to have a positive and long-lasting impact on people's lives while maintaining a strong focus on the goal of sustainable development. For many years, Social Responsibility has been at the heart of our operations and decision-making, and it is essential to our future.

At TTML, we keep looking for strategies to use water more efficiently, emit less contaminants, expand employee welfare, reduce emissions even more, and adopt a model that is circular. To serve our people and communities and provide them with the support they require, we must use our voice and resources.

Sustainability Committee

Sustainability at TTML is overseen by the Human Resource & Remuneration Committee, which includes one female director and is supported by its secretary, the Head of HR who is also a female. A dedicated Sustainability Management Team, comprising top executives with clearly defined roles and responsibilities, oversees sustainability initiatives across their respective domains. The Team conducts gap analysis, sets sustainability KPIs, oversees reporting, and restructures relevant policies to align with best practices. It also reviews and approves the sustainability roadmap and timelines. These efforts are reported to the Board quarterly, ensuring that sustainability principles are effectively embedded into the Company’s strategy and operations, driving long-term value creation.

On the product front, we have focused on sustainable products and processes. Increasingly we offer products made from sustainable fibers like Organic Cotton, Better Cotton Initiative (BCI) and Cotton made in Africa (CMiA) cotton and Recycled fibers. Our products are environmentally friendly, being made of certified fibers. The company is certified by OEKO Tex, Global Organic Textile Standard (GOTS), Organic Content Standard (OCS) and Re-genagri which prescribes standards for the processing of fibers from certified organic agriculture. The Company is also certified by the Global Recycled Standard (GRS) and Recycled Claim Standard for the use of recycled fibers.

We have employed our efforts in CSR to connect with communities, comprehend their needs, and act as responsible corporate citizens. As part of our efforts to support community development initiatives, we provide well-maintained, safe, and secure facility for female staff in all manufacturing units fostering diversity in our workforce, actively conducting adult literacy program for underprivileged workers, encourage the education of children of employees and near-by underprivileged children through TCF campus collaboration, sponsor higher education to deserving students, setup free medical camps and blood donation drives and establish free Heat relief facility to combat heat wave during the year.

As per our “Go-Green” energy initiatives, the Company has already installed 11.14 MW solar power plant for consumption of renewable power while further extension of solar plant is also under way. Whereas several tree plantation drives were conducted during the year. At the employee’s level, we considerably ensure the health and safety of our employees and encourage hiring employees on permanent basis.

Our CSR focus areas are:

- Education
- Healthcare
- Environment
- Community well-being

Leadership’s Statement on Sustainability Reporting

The company has consistently taken steps towards sustainability in the past, and the most recent updates to the disclosure requirements are a reflection of our convictions regarding the longevity of the environment in which we live. We are aware that the communities residing nearby and the environment we live in are fundamental to the accomplishment of our strategic objective. The sustainability report demonstrates our commitment to and strategy for sustainability in the areas of Environment, Employees, Production, and Community. We already had an explicit objective for our sustainability work: to make sustainability a fundamental principle of how we conduct business. We are aware of how important it is to safeguard the environment, empower people, and foster industry transparency while creating an ethical business. These subjects are not only close to our hearts, but they also play a significant role in our business perspective.

With this report, we are placing more emphasis on impact, determination, and transparency in our operations and public reporting. When it comes to sustainability, we mean preserving nature for future generations while utilizing resources without harming humanity. We follow a business geared toward value creation while also acting ethically and adhering to sustainability in all of our business activities.

Status of SECP Adoption of CSR Guidelines

Community welfare and sustainable business practices have always been prioritized by the company. The Company has an approved CSR Policy in place for this reason, and every year, the company undertakes a large number of CSR initiatives as per the aforesaid policy for the betterment of society. As per the company’s approved CSR policy, the Company is to allocate an amount to be donated during the year which will be 3% of last year’s profit after tax (PAT) whereas, the maximum limit/ceiling of disbursement of the donation is up to Rs.100 million.

A proactive and explicitly defined CSR program boosts a company's reputation and customer loyalty, which subsequently improves its potential to attract qualified personnel and promoting greater employee engagement. To ensure that CSR values are applied in their true spirit, the Company consistently focuses on the regulatory standards for adoption of CSR related practices:

- CSR Policy is approved by the Board along with approval of CSR budget every year.
- The Board is updated on a quarterly basis regarding the CSR activities carried out.
- Incorporation of CSR goals, objectives, and targets embedded into business objectives and strategy.
- Highlighting the importance of CSR activities to the employees for their contribution to society.
- Incorporation of CSR related KPIs of the relevant department thereby ensuring that these are part of the business strategy.
- Disclosure and reporting of CSR achievements.

Sustainability Highlights



In TTML, sustainability spans the social, economic, and environmental spheres. The company is dedicated in promoting wellness for all and undergoing continuous improvement. The Sustainable Development Goals (SDGs) were adopted by the Pakistani Parliament in 2016. TTML is actively aligning its operations with the SDGs listed below, adopting best practices to create meaningful impact.

1. Economic

The economic dimension of sustainability concerns the Company's impact on the economic conditions of its stakeholders.



a. Economic Performance

Growing the economy with the approach that preserves the environment and natural resources for future generations is known as sustainable economic growth. The company operates as a component of the ecosystem that employs labor, capital, natural resources, and land necessary to produce goods and services that support economic growth. These resources are being managed by the company for sustainable economic growth so that they won't be depleted and remain available for use in the future. The company is dedicated to delivering value and long-term growth to all its stakeholders.

The complete audited financial statements of the Company and the statement of value addition and distribution of wealth, both of which are included in this report, allow for an accurate estimation and assessment of this growth and value. In addition, economic performance carries implications for all other material topics reported upon.

b. Market Presence

The Company's market presence has a major effect on the employment and business opportunities it offers. From entry level positions to senior management, the company promotes recruiting workers from the local community in all vicinities of production and operations. Additionally, the company provides business opportunities to local contractors, suppliers, and cotton ginneries dispersed throughout the country.

c. Indirect Economic Impacts

The company also views itself as a responsible corporate citizen, thus it's critical that we continuously track and evaluate our indirect economic consequences in a broader perspective. The company's economic impacts on socioeconomic standing are evaluated using employment, income, and education. The Company's growth and development mean the growth and development of homeland, Pakistan. The company contributes to the national exchequer in accordance with applicable laws and regulations and fulfill all its obligations.

2. Environmental

The Company's goal regarding the environment is to minimize any adverse environmental impacts associated with its activities. The company manages these impacts in accordance with regulatory compliance requirements such as National Environmental Quality Standards (NEQS) and the international standard of environmental management system ISO 14001:2015, regardless of our growth and plant expansion and the ensuing energy needs and environmental outputs. Management has a clear understanding of its obligations in this area, and the policy on the environmental management system is implemented in all its facets. The company has achieved sustainability certifications such as GOTS, OEKO-Tex, GRS, RCS, and Regenagri as part of its environmental mission. These certifications demonstrate the Company's dedication to delivering environmentally friendly solutions. The Company routinely conducts an environmental assessment and reevaluates consequences and elements that have been identified. Audits are also carried out to confirm that we adhere to all legal and regulatory obligations. Periodic internal audits are carried out in accordance with ISO 14001:2015 regulations, and no major non-compliance was recorded. On an operational level, reducing CO2 emissions and expanding the consumption of renewable energy sources like solar power generation can help our organization reach its goals for combating climate change.



a. Energy

In addition to being essential for the environment, energy conservation give the company a competitive edge in terms of cost considerations. Our yarn production process heavily relies on energy, and the company now places a high priority on this issue as a result of the ongoing national energy crisis. The Company has undertaken a number of energy-saving measures that have reduced production costs. As part of its ongoing efforts to lessen its dependency on conventional fuels, the company holds regular awareness sessions at its head office and plant locations to raise knowledge of effective energy usage.

➤ Solar Panel Installation

The company has set up 11.14 MW solar plants to benefit from cost-effectiveness and promote environmental sustainability. It will contribute to lowering greenhouse gas emissions and air pollution, which will benefit the environment. Our enhanced process efficiency has resulted in a substantial reduction of 62,587 tons in GHG emissions, compared to our baseline.



➤ Waste Heat Recovery Plant

The Waste Heat Recovery (WHR) system captures wasted heat from production and power generators, converting it into electricity without needing external fuel. This process conserves energy and reduces the company's carbon footprint. The company has installed a WHR system at one manufacturing site and plans to add more.

➤ **Power Producing Plant**

The company has also installed dual fuel power producing plants of a total of 19.7 MW which can run on gas, furnace oil and diesel at all three manufacturing sites. During the year, these efficient power plants were operated on natural gas and RLNG. Consequently, decreasing the impact due to emission of Carbon dioxide gas generated from utilizing furnace oil.

➤ **Energy Conservation Drive**

The Company has placed Light Emitting Diode (LED) lighting throughout its facilities as part of its energy preservation efforts. Maximum use of sunlight is preferred, and this initiative has been routinely evaluated. Additionally, education and awareness programs regarding energy-saving practices have been routinely carried out.

b. Emissions

Our main goal is to reduce our carbon footprint and any potential damage to the environment we may cause. Our practice includes, but is not limited to:



- Compliance with applicable statutory, regulatory, and environmental requirements to the best of our abilities.
- To maintain emissions of particulate matter, CO2 at minimal levels / below the corresponding limitations defined in the National Environmental Quality Standards (NEQS).
- To locate, reduce, and get rid of waste generated by our operations in a way that causes the least amount of environmental damage and doesn't pollute the land, air, or water.
- To use recyclable materials and/or renewable resources whenever practical while reducing the consumption of electricity and water.
- Mitigating efforts to control emission and effluents- Our air quality measurement program identifies the limit of pollution parameters in the ambient air in and around our factory. The stack emissions monitoring is done regularly for the priority parameters in compliance with the requirements of NEQS (Self-Monitoring and Reporting) Rules, 2001. Reports of these tests are reviewed and submitted to the management and necessary actions are taken as and when required.
- Noise Pollution-Our plant has been designed in such a way to minimize the noise levels and to comply with acceptable limits of the NEQS. Moreover, noise levels are regularly monitored. Furthermore, periodic repair and maintenance of the plants ensure compliance of noise levels in accordance with NEQS.

c. Waste Disposal

In order to comply with its objective for sustainable operations, the company recycles or responsibly sells all the available waste and scrap. Spinning yarn is a dry process and generates no process-related liquid waste. However, the Inventory department maintains log of stock of by-product and scrap and arranges its disposal as per prescribed procedure. As well as wax used for smoothening yarn is disposed of in an environment friendly manner.

d. Water Resources

The Company seeks to reduce its water footprint by promoting water-saving practices amongst employees and adopting water-efficient technologies and equipment wherever possible. The Company is committed to the improvement of quality and sustainability of water resources. Distribution network is available to supply clean drinking water to all plant areas, parking and waiting areas. The company has installed RO (Reverse Osmosis) plant, demonstrating a commitment to integrated water resources management. Clean and filtered water is also available to the nearby villages free of cost. Water quality parameters are monitored and tested at regular intervals from well-reputed accredited laboratories. Clean water is also used in ornamental gardening & plantation.



e. Sanitation & Hygiene

All workers and the related business partners have access to sanitation and hygiene (wash) facilities owing to the investment from the company. Accommodation facility, parking lots, mosque, waiting spaces and other crucial parts of the facility all have clean and accessible restrooms. The trained housekeeping staff are responsible for maintaining the facilities for sanitation and hygiene.



f. Recycle, Reuse and Reduce

- Yarn does not have any harmful impact on the environment. Recycled cotton and fibers are used in its production.
- Business process re-engineering is regularly done to reduce raw material wastage from operations.
- We use three major packaging materials, i.e., paper cones, cartons, and polypropylene bags. Paper cones, wooden pallets and corrugated cartons are reusable and recyclable. Polypropylene bags have resale value and are recycled or reused. Cloth bags are used for packaging of by-products which are recyclable or reuseable.



g. Quality Management

The Company is committed to the manufacturing of high-quality yarn. Quality Management System is implemented in all our manufacturing facilities for process and product quality assurance which ensures smooth and optimized results. The consistency of performance of the yarn is vital for our customers so the cotton, process and final products are regularly tested as part of the spinning process.



Our Quality Management procedures include:

- Identifying and analyzing the gap, conducting trials to optimize the process.
- Drafting and training of revised SOPs for on-job-training.
- Continuous sampling and testing at each stage.
- Procedures to conduct trials and monitor customer feedback and complaints.

Our Quality Control laboratory certified by Uster, is a primary component to achieve our mission of maintaining strict control over every aspect of manufacture and quality and is maintained in accordance with ISO/IEC 17025 requirements. Our in-house uster-certified laboratories allow for timely, accurate, cost-effective testing that ensures every product, from raw material to finished goods, meets all quality requirements.

h. Logistics

The Company utilizes heavy trucks to transport yarn to customers and carry cotton to the mill for processing. Recognizing the potential impact on the surrounding community, as even minor lapses can result in serious accidents, TTML has adopted safe transportation practices under an approved logistics policy to mitigate this risk. Notable investments have been made in upgrading pavements and drainage systems to facilitate safer movement inside mills. The Company works exclusively with approved logistics vendors and ensures proper loading practices to avoid overloading or underloading, thereby minimizing accident risks and ensuring optimal truck capacity utilization.

i. **Tree Plantation Drive**

Showcasing a commitment to sustainability, the Company has planted more than 11,000 trees in and around the factory premises through several plantation drives that occurred during the year. The Company is managing a nursery at all its manufacturing facilities to grow different species of seasonal flowers every year to collect seeds for the next year. Trees contribute to reducing carbon dioxide levels, improving air quality, and enhancing local biodiversity, aligning with corporate social responsibility (CSR) goals.



j. **Digital Transformation for a Greener Tomorrow**

The company has taken several steps to go paper-less after implementation of highly advanced cloud ERP system as well as Diligent Boards software and strives to go maximum digital in future as its environmental and efficiency goal. During 2024-25, implementation of advanced barcode technology went fully live at all locations, optimizing inventory management and control. Furthermore, successful implementation of the Supplier Relationship Management (SRM) Portal, accompanied by comprehensive training for employees and suppliers, streamlined operational workflows and enhanced invoice processing, vendor engagement and reduction in paper usage. Through further development, the company is set to integrate Business Intelligence into its dashboards, planning, and processes. The company has transitioned from conventional paper checks to digital payment methods, wherever possible. More initiatives towards digital transformation are covered in Section 8- “Disclosures on IT Governance and Cybersecurity”.

3. **Social**

The company prioritizes employee and community development, recruiting local talent and providing a healthy working environment. With over 3,100 employees, the company impacts livelihoods, opportunities, and growth prospects. Policies and procedures govern health, safety, and community investment. The company is an equal opportunity employer and uses performance improvement approaches to assess individual and business growth. Strong controls are in place to prevent child labor, forced labor, discrimination, human rights violations, and corruption. There have been no reported cases of Human rights violations, gender discrimination, forced or child labor, sexual harassments, or any other types of discriminatory acts during the reporting period.



a. **Employment Opportunities**

In line with its commitment to social responsibility and job security, TTML provides stable, long-term employment opportunities, particularly benefiting local communities near its manufacturing facilities. During the year, the Company maintained an average workforce of 3,122 permanent employees, reflecting its role as a significant contributor to regional employment. TTML is widely regarded as one of the prominent employers in the textile sector due to its comprehensive employee benefits, which include healthcare coverage, life insurance, education and marriage assistance, gratuity and provident funds, earned leave, performance-based bonuses, as well as vehicle and fuel allowances. These initiatives underscore the Company’s dedication to employee well-being, retention, and socio-economic development.

b. **Employee Engagement Initiatives**

The company has always placed a priority on promoting and motivating its employees. The company arranged a variety of recreational events for them to keep them motivated. Recreational activities are always essential to boost employee morale and engagement, so the company has made sure to involve employees at all organizational levels in them. Recreational activities include:

➤ **Independence Day Celebrations**

Independence Day was celebrated with great enthusiasm at TTML’s Head Office and Mills locations. The event featured engaging activities, including a quiz competition and a national song singing competition, encouraging active participation from employees and fostering team spirit. CEO delivered an inspiring speech emphasizing the values of freedom, unity, and national identity, setting the tone for the day’s celebrations. The festivities concluded with a joyful cake-cutting ceremony and a collective singing of the National Anthem, further reinforcing camaraderie, patriotism, and our shared commitment to the nation’s ideals.



► “LEADHer” Women’s Forum

TTML’s Women’s Forum “LEADHer” launched with a session outlining its mission to foster inclusive and empowering spaces for women across the organization. Key discussions focused on addressing microaggressions and promoting microaffirmations to strengthen workplace belonging. Building on this momentum, a second session led by external trainer Safina Shahid delivered practical public-speaking techniques, enabling participants to build confidence, overcome self-doubt, and communicate effectively in professional settings.



► International Women’s Day

TTML celebrated International Women’s Day to recognize and honor the contributions of women in the workplace. The event reflected the Company’s commitment to gender equality and empowerment. An awareness session was conducted by Ms. Sabika Shah (Regional Head Sindh, FOSPAH) on the “Workplace Anti-Harassment Act,” engaging female employees across all locations. This initiative reaffirmed TTML’s dedication to fostering an inclusive, safe, and supportive work environment.



► Breast Cancer Awareness Session

TTML continue to host its annual key Breast Cancer Awareness Session led by industries esteemed expert doctors in the field, the session focused on empowering attendees with crucial information about female health which emphasized the importance of early detection, self-examinations, and regular screenings in combating breast cancer. This initiative underscored our commitment to promoting health and supporting our community with knowledge and hope.



► Children’s Day

During the year, TTML commemorated Children’s Day by hosting special events at Kotri and Landhi Mills for employees’ children, fostering a lively and engaging atmosphere. The celebrations included interactive activities, games, and thoughtful giveaways, spreading joy among the children while strengthening the connection between employees and the organization.



► Financial Literacy Program

TTML continues to expand its ongoing Financial Literacy Program, designed to equip employees with practical financial knowledge and long-term planning skills. Regular sessions are conducted on key topics such as How to File Income Tax, Invest in Your Future: Unlocking the Benefits of VPS, Maali Agahi – Mehfooz Kal, and Investment Schemes. These initiatives consistently build employee awareness on tax compliance, savings, and Shariah-compliant investments, enabling them to make informed financial decisions. By sustaining this program, TTML reinforces its commitment to employee empowerment, financial well-being, and fostering a culture of responsibility and future-readiness.



► Career Fair

TTML actively participated at the Career fair hosted by Mehran University, scouting young talents for our Future Leadership Program. Demonstrating our commitment to innovation and leadership, we connected with students who share our values. The event showcased TTML’s diverse business domains and global presence, marking a pivotal moment for mutual growth.



► Academia–Industry Linkage

TTML actively fosters industry-academia collaboration by hosting student visits to its facilities. During the year, students from the Textile Institute of Pakistan toured Landhi Mills for practical exposure, while Vocational Training Institute students visited Kotri Mills to explore manufacturing processes and industry practices. At Muzaffargarh Mills, Vocational Training Institute students demonstrated their skills, creating a valuable hands-on learning experience.



► Orientation and Induction

TTML's recruitment process carefully evaluates candidates for role-specific requirements and cultural fit. To ensure seamless onboarding, a comprehensive Orientation and Induction Program familiarizes new hires with the Company's operations, values, and expectations, enabling them to contribute effectively from day one. The New Employee Orientation (NEO) program launched has already achieved 49% completion across its seven interactive modules. A notable feature is the quarterly Senior Management Connect, offering new employees' direct engagement with leadership to build trust and alignment. Participant feedback has been highly positive, confirming the program's effectiveness in creating a smooth, engaging, and meaningful start for every new team member.



► Turkish Delegation Visit

TTML proudly hosted a distinguished delegation of over 30 industry leaders, including sponsors, technical experts, and Cotton Council International (CCI) members, at our Kotri Mill. The visit provided an excellent platform to showcase our advanced spinning operations and innovation-driven processes. Guests praised the mill's efficiency, organization, and professionalism. Such interactions strengthen global industry ties, foster collaboration, and enhance TTML's position as a prominent player in the textile sector.



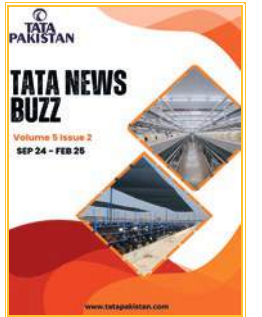
► Eid Festival Celebration

At TTML, vibrant Eid lunch brought together employees from diverse backgrounds to celebrate unity and togetherness. Staff at mill locations celebrated Eid Milan, where employees gathered, fostering meaningful interactions and exchanging warm wishes amidst the festive atmosphere, creating cherished memories and strengthening bonds.



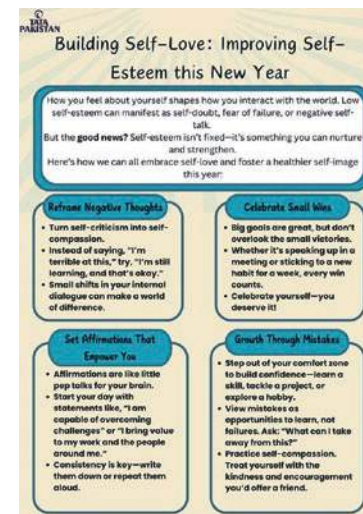
► TATA News Buzz - Newsletter

TTML's bi-annual newsletter "Tata News Buzz" provides platform where employees showcase their creativity and talent. It offers insights into TTML's journey, from innovation and sustainability milestones to the exceptional achievements of our workforce. This newsletter serves as a platform for sharing accomplishments, industry trends, insights, and our collective vision for the future. As TTML evolves, Tata News Buzz remains a reliable window into our world, where progress, people, and purpose intersect.



► Employee Learning and Awareness E-Tips

The company actively fosters financial literacy, encourages personal and professional growth, and addresses cybersecurity threats through its publications. In addition to TTML's newsletter, employees receive periodic e-mails such as "Money Wise," "Insights," and the "Information Security Awareness Series." These e-publications aim to provide valuable content on managerial and personal development topics, helping employees enhance their skills and knowledge for current and future roles. These e-publications have become a regular feature, allowing employees to learn directly via their inboxes.



► Long Service Awards

In the fiscal year 2024-25, TTML honored 70 employees with Long Service Awards, honoring those who have completed 15 or more years of dedicated service. Their long tenure and vital contributions have supported TTML's journey and success.

c. Industrial Relations

The company has Industrial Relations (IR) team for determination of adequate terms and conditions of employment. Further, the IR team is responsible for avoidance and settlement of disputes and disagreements between the Company, its employees, and their representatives through negotiation.

d. Health and Safety

At TTML, ensuring the safety and health of our people is paramount. TTML’s commitment extends beyond safeguarding our facilities; it encompasses the well-being of our workforce. Employees are encouraged to comply with safety regulations and necessary protective gear including safety shoes, masks, ear plugs, safety caps are provided to them. We maintain a highly trained safety team, an emergency response unit, and paramedical staff. Our facility includes a fully equipped ambulance and an in-house dispensary. Safety sign boards are strategically placed throughout critical areas.



TTML prioritizes training and awareness sessions in which workers undergo comprehensive fire & safety training and are equipped with Personal Protection Equipment which is regularly monitored. TTML emphasis on vigilance includes theoretical instruction and practical drills for handling unforeseen emergencies. Mock drills for firefighting, evacuation, casualty management, and security are routine, enhancing readiness. Regular safety audits ensure compliance and continuous improvement.



➤ Enhancing Emergency Vigilance: Fire Safety Training and Drills

TTML’s dedication to employee safety was evident in an immersive Fire Fighting Training program and drills at its Head Office. Throughout the year, 1,979 dedicated man-hours enriched the workforce with life-saving skills. This initiative exemplifies TTML’s focus on safety and security. Culminating in comprehensive learning and a safety-conscious culture, it sets a new standard for workplace excellence, underlining our dedication to exceeding industry norms. Some of the key highlights include:



Health and Safety takes precedence in the company with a dedicated focus on both in-house and higher management meetings. The company employs a set of comprehensive safety manuals outlining policies and procedures. Calibration and maintenance certifications for fork lifters and construction equipment underscore our commitment. These programs involve regular health assessments of equipment and sites, as well as monitoring of employee well-being. Health and Safety considerations are integral to objectives set for department heads and senior management.

Production lines finished the whole year without any major injury. Reported injury case if happens, is thoroughly investigated by trained personnel and findings are subsequently circulated to senior management. Once investigations are completed, actions and recommendations are assigned to individuals with a strict follow-up system put in place to avoid any recurrence.

➤ Safety Management Systems

We've implemented a health and safety management system, engaging health and safety representatives from different departments. Monthly review meetings assess health and safety practices. Our approach aligns with ISO 14001:2015 and ISO 45001:2018 guidelines. Incident reporting follows defined procedures without reprisals.

➤ Monitored HSE Progress

Effectiveness of HSE system is gauged through feedback and mock exercises. To nurture a healthy mindset, the Company displays guidelines and undertakes steps to enhance employee well-being. Our dedicated team of HSE addresses issues by focusing on safety measures and appropriate training, the use of prescribed safety gadgets, equipment, and safe practices. Guidelines are displayed prominently, and training sessions cover occupational health & safety, firefighting, first aid, and more, conducted by competent staff in local languages. Regular training courses are provided during paid working hours to promote a safe environment.

The Company has taken multiple measures by frequently conducting training sessions and drills in 2024–25 to raise awareness and ensure staff safety, some of which were Fire Fighting, First Aid Basic, Security Essentials, etc.

➤ Management Review Meeting

All manufacturing sites participate in separate Management Review Meetings (MRM) each month for discussion of operations pertaining to the Health Safety Management System, ESG, and CSR programs. The management talks about future expansion plans and approaches for putting environmental goals like water and energy conservation into practice.

In summary, our commitment to health and safety is spun into our policies, systems, training, and nurturing a culture of wellness, driving us towards a safer, healthier work environment for all.

e. Training and Development

Learning and Development (L&D) within Human Resources is pivotal in enhancing business performance through precise skill enrichment. The company focuses on upskilling and reskilling, addressing the dynamic skills gap. An extensive program Training Need Assessment (TNA) in this regard is in place. A commitment to holistic growth shapes this strategy. Carefully curated training programs, internally and externally sourced, occur annually. These programs tap into the organization’s resources and external expertise.



The synthesis of these training avenues showcases TTML’s dedication to empower its workforce. By fostering continuous learning, the company nurtures individual careers and strengthens operational prowess. This approach ensures adaptability in navigating evolving business and technological landscapes. TTML’ L&D initiatives embody its dedication to equipping employees for success and sustaining excellence. Special emphasis is placed on sustainability-focused trainings, equipping employees with knowledge and skills to adopt environmentally responsible practices and support the company’s ESG goals. Some of them were Gamified Simulation Workshop on Environment Social and Governance, ESG & Sustainability for Board Directors & Executives, Future Ready Textile and Apparel Reporting with IFRS Sustainability Standards, ESG webinar by PSX. Different training sessions and workshops both in-house and outside were conducted during FY 2024-25, of which major trainings worthy of mentioning here are:

- Data Analytics and BI Training Program
- Decrypting Cyber Security Considerations
- An effective prompt in Chat GPT
- Agile Internal Auditing
- Neuro Linguistic Programming
- Optimization in Supply Chain and Quality Matters
- Harvard Manage Mentor Program 24
- MS Excel Mastery

Demonstrating commitment to employee development, we conducted several training sessions, totaling 7,133 hours as well as 19,215 hours of on-the-job training, spanning diverse areas from soft skills to technical competencies. In-house trainers also facilitated sessions, covering technical skills, behavioral skills, policies, procedures. As part of its commitment to inclusive development, TTML launched a Recognition of Prior Learning initiative in collaboration with the Vocational Training Institute, Kotri. Six skilled individuals from the local community, lacking formal education, were assessed, certified, and aligned with industry standards. This program bridges skill gaps, empowers local talent, and supports socio-economic uplift. Investment in training underscores TTML's commitment to nurturing skills, knowledge, and fostering growth across the organization. Hence, TTML proudly formalized a Memorandum of Understanding (MoU) with the Vocational Training Institute (VTI), Muzaffargarh, reinforcing its commitment to skill development, empowerment, and preparing future-ready talent, marking a key milestone in strengthening industry-academia linkages. This partnership is designed to equip people with technical expertise and practical exposure, enabling them to excel in the evolving job market.



f. Diversity and Inclusion

TTML is committed to fostering a diverse, equitable, and inclusive workplace, actively promotes fair hiring practices, including outreach through diverse job boards, blind screening, and diverse interview panels. During the year, female workforce participation significantly increased at both Head Office and Mills, supported by initiatives to create a women-friendly environment. To further embed diversity and inclusion, TTML invested 122 training hours in programs such as Building Successful Gender Strategies and Training for Employers on Human Rights – Due Diligence. These initiatives enhanced awareness and equipped managers to drive inclusive practices across the organization. A comprehensive DE&I scan using GDEIB benchmarks led to a detailed action plan with measurable goals. A gender pay gap analysis revealed a minimal disparity of -3%, affirming pay equity. Differently abled employees represent 2% of our workforce, reflecting TTML's focus on accessibility and inclusion.



g. Equality / Non-discrimination

The company strives to advance the fundamental principle of a workplace free from discrimination and where all employees have an equal opportunity to achieve their goals. The company is dedicated to ensuring that no employee will be treated differently based on a personal trait that is unrelated to their capacity to perform their duties. The company strongly discourages using discriminatory criteria such as age, gender, race, nationality, ethnic background, or religion. The anti-discrimination laws ought to be enforced on all employees.



h. Employee Wellbeing

TTML places paramount importance on the management of both physical and mental health, considering it the cornerstone of work-life balance. Encouraging all employees to cultivate a healthy work-life balance, our goal is to foster a work style that enables them to bolster their health while maintaining high levels of productivity. The Company has taken several initiatives for the well-being of its employees. A few of these initiatives are as follows:

➤ Sehat Kahani

TTML proudly introduced Sehat Kahani, a pioneering telemedicine platform with 7,000+ physicians, offering free services to employees and dependents under its Health Insurance policy through partnership with Jubilee Insurance. This reflects TTML's commitment to employee welfare and transforming healthcare for our corporate family.

➤ Gym Facility

Prioritizing the physical wellbeing of its employees, TTML has established fully furnished and well-equipped gyms at its manufacturing facilities. These gymnasiums continue to operate to encourage employees to adopt a healthy lifestyle.

➤ Sports & Recreational Engagements

TTML remains committed to Corporate Social Responsibility and employee well-being. The Company proudly sponsored and actively participated in the Corporate Cricket Tournament organized by Indus Hospital & Health Network as a Platinum Sponsor, combining sporting spirit with community contribution. A lively volleyball match and thrilling cricket matches were organized, encouraging teamwork, fitness, and motivation. These initiatives foster employee engagement, boost morale, and promote a healthy, collaborative workplace culture.



i. Child Labour

Operating in three different manufacturing locations and a corporate office, we strictly prohibit child labour, reflecting our commitment to ethical practices. No child has been employed in the company, and this policy remains firm. Our focus is on child education, nurturing growth, and providing facilities for children. Our dedication extends beyond the workplace, affirming our commitment to their holistic development.

j. Forced or Compulsory Labour

The Company believes in an open working environment; no employee is subjected to forced or compulsory labour.

k. Consumer Protection Measures

We are committed to ensuring that our products are shipped in a manner that complies with the highest safety standards and meets or exceeds all legal requirements. The Company takes care of and applies appropriate procedures to manufacture its products to ensure that no harmful substances are present in any of its products. The Company ensures that the customers get the best value for money.

l. Business Ethics and Anti-Corruption Measures

Any evidence or suspicion of any unethical or unlawful activity, damage to environment, any offence or injustice, non-compliance with applicable regulatory requirements or company policies can be reported in complete confidentiality. Our top-down and bottom-up communication approach fosters transparency. Employees are expected to uphold integrity. We condemn corruption and adopt a 'zero tolerance' stance. Our strong internal audit function ensures operational review to prevent corruption. We are strongly committed to promoting ethical behavior, transparency, and honesty across all aspects of our work.

m. Corporate Social Responsibility (CSR)

We aspire to witness our neighborhood communities flourishing. The company places a great deal of emphasis on investing in the areas that we serve and those who are close by.

➤ Sponsorship of Primary and Secondary Schools

The company is currently supporting 3 full fledged primary and secondary campuses of school in collaboration with The Citizen's Foundation (TCF), thereby promoting access to quality education for children from underprivileged backgrounds. TTML focus on empowering young girls is reflected in this initiative, providing them with the knowledge and tools they need to build brighter futures. During the year, TTML's team visited these school campuses, evaluating the facilities, engaging with students, and assessing the quality of education and learning environment. A special focus is placed on empowering young girls by equipping them with the knowledge and tools needed to build brighter, more independent futures.



➤ Jugnoo Sabaq program

The company is actively running an adult literacy program “Jugnoo Sabaq”, empowering workers with essential skills for personal and professional growth. TTML celebrated the graduation of this year’s Jugnu Sabaq batch. This ceremony marked a moment of pride and joy, recognizing the graduates' achievements and the transformative impact of literacy. Each graduate received a certification, symbolizing their commitment to personal growth and lifelong learning.



➤ Health Contributions: Making a Difference in Welfare

In the spirit of philanthropy, our contributions continue to reshape lives. Demonstrating steadfast dedication, the company has extended a significant contribution to esteemed medical institutions, elevating healthcare access for the underprivileged. These substantial donations manifest our dedication to fostering a healthier society through support for improved medical facilities and treatments. Our collaborative efforts are aligned with the ethos of compassion and empowerment, nurturing a brighter, healthier future for all.

➤ Promoting Higher Education: our commitment and initiatives

The company is a strong advocate for higher education, actively supporting it through various initiatives. We have provided higher education assistance to 6 deserving students, awarded scholarships to 3 textile students for advanced studies, and bridged the gap between industry and academia by hiring 8 recent graduates as trainees. Additionally, we have offered internship opportunities to 10 students, further enhancing their practical experience and career prospects.

➤ Blood donation drive

The company organized blood donation drives in collaboration with renowned certified laboratories and blood banks during the year as 65 employees of the company participated in these drives keeping in view an aim that highlighted their commitment to community welfare and their desire to make a meaningful impact in saving lives.



➤ Medical Camps

The company organized many medical camps at different occasions during the year at all three locations for local community in collaboration with esteemed doctors and recognized NGOs during the year, aimed at promoting health and well-being within the community. This initiative provided valuable health screenings, consultations, and education on preventive care to around 1,475 individuals. These events were part of TTML's broader commitment to social responsibility and improving access to healthcare for underserved populations.



Certifications Acquired for Environmental Sustainability



Certifications Acquired for Environmental Sustainability



Corporate Affiliations



License of Better Cotton Initiative



License of Better Cotton Initiative



Member of Social Labor Convergence



Member of Primark



Member of Inditex



Member of Employers' Federation of Pakistan

Four Core Pillars

The Company's sustainability approach is built on four core pillars: Governance, Strategy, Risk Management, and Metrics. Each pillar outlines initiatives and measurable progress, aligned with our Vision and Mission towards sustainability.

Core Pillars	Overview	Metrics
Governance	Ensure strong ESG oversight, transparent reporting, and ethical business conduct, embedding sustainability into decision-making and supplier relationships.	<ul style="list-style-type: none">- Sustainability Committee oversight for monitoring progress and ensuring alignment with the Company's sustainability objectives.- Sustainability Committee includes one female director and is supported by its secretary, the Head of HR who is also a female.- Compliance with international and local standards- Sustainability Team implements sustainability initiatives, manages daily operations, and reports on performance to the Board.- 755 Man-hours of employees who have completed sustainability training on diversity, anti-harassment, human rights, sustainability reporting, ESG, etc.- Transparent annual sustainability reporting to stakeholders
Strategy	Drive long-term value creation through environmental stewardship, education, DEIB, innovation, and community empowerment.	<ul style="list-style-type: none">- 11.14 MW renewable energy projects installed- Carbon Footprint Reduction- Annual investment in community development projects- Number of training hours per employee annually- Education initiatives supported (scholarships, schools)- Volume of sustainable products produced annually- % female representation in management
Risk Management	Proactively identify and mitigate sustainability related risks across operations, supply chain, and climate impacts.	<ul style="list-style-type: none">- Percentage of identified risks with mitigation plans in place- Number of sustainability-related incidents reported and resolved.- % reduction in carbon emissions year-on-year- Water conservation initiatives implemented- Safety incident frequency rates- Supply chain risk assessments completed
Metrics & Targets	Set short, medium, and long-term sustainability goals, using a range of metrics to measure and report on sustainability performance	<ul style="list-style-type: none">- Short term (1–2 yrs): Energy reduction, Worker safety & labor practices- Medium term (3–5 yrs): waste reduction, women in management- Long term (5–10 yrs): Carbon neutrality, Achieving Net Zero

TTML's strong focus on governance, strategic planning, risk management, and performance measurement ensures that sustainability initiatives are executed with rigor and reported with transparency. By strengthening these four pillars, we continuously enhance our practices and contribute meaningfully to our environmental, social, and governance (ESG) commitments.

Sustainability-Related Risks and Opportunities

Time frame	Type	Risk/Opportunity	Description	Impact	Mitigation/Initiatives
Short-Term (1-2 yrs)	Risk	Energy Consumption & GHG emissions	HFO and Gas usage contribute to GHG emissions	Environmental footprint & cost pressure	Energy efficiency projects, renewable energy integration
		Worker safety & labor practices	Absence of robust safety systems increases risks	Potential accidents, reputational damage	Strengthen HSE systems, training, ISO 45001 certification
		Renewable energy	Transitioning to solar/wind	Reduced energy costs & emissions	Expand solar capacity (4.4MW + planned 3.7MW)
	Opportunity				
Medium-Term (3-5 yrs)	Risk	Raw material sourcing	Supply chain linked to forced/child labor, environmental degradation	Reputational & compliance risk	Adopt sustainable cotton standards (Organic, BCI, CMiA)
		Waste management	Improper chemical/hazardous waste disposal	Health, safety, & environmental harm	Implement waste segregation, recycling, ISO 14001 compliance
	Opportunity	Sustainable cotton sourcing	Organic/BCI/CMiA cotton adoption	Brand reputation & market access	Expand certifications (GOTS, OCS, GRS)
		Recycling & upcycling	Textile waste recycling/upcycling	Cost reduction, new revenue streams	Develop closed-loop systems, explore circular economy
Long-Term (5-10 yrs)	Risk	Regulatory compliance	Stricter ESG/climate regulations	Fines, liabilities, reputational damage	Regular ESG reporting, certifications, proactive compliance
	Opportunity	Circular economy & innovation	Closed-loop production & product redesign	Revenue growth & sustainability leadership	Develop product-as-a-service, sustainable product lines
		Net Zero & global markets	Achieving Net Zero, sustainable product demand	Enhanced competitiveness & global market access	Carbon offsetting, green financing, eco-friendly innovation

Climate-Related Risks and Opportunities

Type	Risk/Opportunity	Description	Impact	Mitigation/Initiatives
Risk	Extreme weather events	Floods, heatwaves, storms	Supply chain disruption, infrastructure damage	Facility resilience, climate adaptation planning, insurance
	Temperature & precipitation changes	Affect cotton yields & quality	Raw material availability & costs	Partner with sustainable cotton growers, diversify sourcing both local and abroad
	Energy price volatility	Fluctuations in energy costs	Higher production expenses	Long-term energy contracts, renewable energy expansion
	Regulatory compliance	Stricter climate laws	Investment in technology & reporting	Proactive monitoring, ISO 14001, SECP/IFRS-aligned reporting
Opportunity	Circular business models	Textile recycling, upcycling, closed-loop	Cost savings & brand differentiation	Circular economy initiatives, R&D in recycling
	Carbon offsetting	Renewables & offsets	Net Zero, brand reputation, global supply chain inclusion	Invest in solar, carbon credit projects
	Green financing	Access to green bonds/loans	Cheaper capital, investment in sustainability	Engage in green finance markets
	Export markets	Demand for sustainable textiles	Revenue growth, global competitiveness	Expand eco-friendly product lines, secure international certifications

Impact of ESG Practices on Financial Performance

At TTML, we recognize that sustainability is a key driver of long-term business success and directly impacts our financial performance across the short, medium, and long term. In the short term, investments in sustainable technologies, energy-efficient machinery, and compliance with environmental and social regulations may increase operating costs. However, these expenditures are considered strategic, enabling us to mitigate regulatory risks, ensure operational continuity, and safeguard our reputation.

Since July 2021, TTML has invested Rs. 1,171 million in its solar power project, a significant step toward reducing energy costs, lowering carbon emissions, and mitigating exposure to volatile energy prices.

In the medium term, these initiatives enhance process efficiency, optimize resource usage, and minimize exposure to risks such as energy price fluctuations, water scarcity, and workforce health and safety incidents. This leads to cost savings, improved productivity, and stronger stakeholder trust.

In the long term, TTML’s commitment to sustainability positions us to capture emerging market opportunities, strengthen supply chain resilience, and attract purpose-driven customers and investors. Through structured risk assessments, KPI-setting, reporting, and policy alignment, we ensure that sustainability drives both financial performance and long-term value creation.

Key ESG Performance Indicators

The Company is committed to continuous improvement in its ESG performance, setting ambitious targets, and regularly reviewing its progress to ensure that it meets and exceeds industry standards. The Company will continue to engage with stakeholders, seek innovative solutions, and leverage its expertise to drive positive change for a more sustainable future. TTML follows the ESG Performance Matrix provided by the Securities and Exchange Commission of Pakistan’s (SECP) as a guidance:

Environmental Metrics

Metric	Measurement criteria	Response
GHG Emissions	Scope 1 Emissions – C02 metric tons	59,187
	Scope 2 Emissions - C02 metric tons	3,400
	Scope 3 Emissions - C02 metric tons	N/A
	Total Carbon Emissions metric tons	62,587
Water Usage	Water Intensity (Volume in Cubic Meters)	166
Energy Mix	Renewable Energy %	45
Emissions Intensity	(GHG Emissions Intensity per 1000 units/bags)	4
	Non-GHG Emission Intensity (Tons/ Year)	57,177,069
Environmental Operations	Quantity of Waste Recycled / Used (Tons)	256,327
Climate Risk Mitigation and adaptation	Investment in Climate-Related Infrastructure (Rs. In million)	665

Social Metrics

Metric	Measurement criteria	Response
Gender Diversity	Diversity (Women Head Count) %	1.3
	Entry and Mid-level Positions by Gender Women %	1.2
	Senior and Executive Level Positions by Gender Women %	5.3
Non-Discrimination	Differently-abled Men %	2.35
	Differently-abled Women %	-
Employee Turnover	Year-over-Year Change for Full-time Employees %	- 8.7
Employee training and Succession Planning	Promotion Percentage (Male & Female) %	1
	Training Hours per Employee	7
Gender Pay Ratio	Mean gender Pay Gap %	- 0.4
	Median Gender Pay Gap %	8.5
Injury Rate	Injury Frequency	7
	Safety-Related Incidents	1031
CEO Pay Ratio	CEO Pay ratio	46:01:00
CSR	CSR list of CSR activities undertaken along with total time spent on these and amounts (PKR million) allocated to these.	83 Refer CSR Section

Governance Metrics

Metric	Measurement criteria	Response
Board Diversity	Board Diversity Ratio by Gender Women %	14.3
	Committee Chairs by Gender Female %	-
	Board Diversity Ratio – Independent Directors %	43
Board competence	ESG-Certified Board Members	-
Incentivized Pay	Executive Incentivized Pay for Sustainability	N/A
Collective Bargaining	Percentage of Headcount Covered by Collective Bargaining	N/A
Supplier Code of Conduct	Are your vendors or suppliers required to follow a Code of Conduct and their compliance %age	-

Sustainability and DE&I Strategy, Priorities, and Performance

At TTML, sustainability and Diversity, Equity & Inclusion (DE&I) are integral to our long-term business strategy and value creation. Guided by the Board and Human Resource & Remuneration Committee, we strive to embed responsible practices across operations while fostering an inclusive culture that drives innovation and engagement.

Our sustainability priorities focus on reducing environmental impact, optimizing energy and water usage, improving workplace safety, and contributing to community development. TTML has established 11.14 MW solar power projects, underscoring its commitment to clean energy transition and long-term cost efficiency.

On DE&I, a comprehensive scan using the Global Diversity, Equity and Inclusion Benchmark (GDEIB) framework guided the development of an actionable roadmap with measurable goals. TTML continues to promote equitable hiring through outreach to diverse job boards, blind screening, and diverse interview panels. Our Management Trainee program plays a vital role in increasing female participation. A gender pay gap analysis is as follows:

- Mean gender pay gap disparity -0.4%
- Median gender pay gap disparity 8.5%

Above indicates that women are equitably compensated across the organization whereas there are more men in higher paying roles, hence the median gender pay is greater.

Progress against defined sustainability and DE&I targets is reviewed periodically by the Board and communicated through our annual report, website and social media platforms reinforcing our commitment to transparency and accountability.

Stakeholders Engagement Policy

The Company is committed to fostering sustainable value creation for all stakeholders, including shareholders, employees, customers, suppliers, financial institutions, regulators, local communities, and the media. As a public listed company, we recognize our responsibility to ensure that business practices align with stakeholder interests while balancing long-term corporate goals with social and environmental responsibility.

Our policy emphasizes that listening to stakeholders and addressing their concerns proactively is essential for business success and continuous improvement. We seek to understand stakeholder insights and align business operations with their needs to create shared value.Oversight of this framework rests with the Board of Directors, while the Senior Management Team is responsible for its effective implementation. In addition, a Whistleblower Policy is maintained to encourage ethical reporting of concerns, provide protection to the complainant against victimization, and ensure that such matters are reported in the Audit Committee’s report—reinforcing the Company’s commitment to accountability and integrity.

Steps Taken by the Management to Encourage Minority Shareholders' Participation in Annual General Meeting

The Company remains committed to safeguarding the interests of minority shareholders by facilitating their active participation in general meetings. The following measures were undertaken during the year:

- Timely dissemination of AGM notices through the Pakistan Stock Exchange and publication in both English and Urdu newspapers in compliance with regulatory requirements.
- Dispatch of meeting notices to shareholders’ registered addresses, with clear agenda details.
- Circulation of the Annual Report in electronic form and provision of hard copies on request prior to the AGM.
- Facilitation of proxy voting by sending proxy forms (in English and Urdu) with notices and making them available on the Company’s website.
- Holding meetings in secure and easily accessible venues, ensuring shareholder convenience.
- Encouraging shareholders to raise queries, provide feedback, and actively engage during AGMs.
- Compliance with all relevant regulatory requirements to enhance shareholder participation.

Investors’ Relations Sections on the Corporate Website

The Company has established a dedicated Investor Relations (IR) section on its corporate website (www.tatapakistan.com) to ensure transparent and timely communication with investors and shareholders. The IR section includes:

- Financial statements and quarterly reports.
- Notices of general meetings, proxy forms, and agendas.
- Policies, codes, and governance-related disclosures.
- Investor grievance redressal contact details.

The website is updated regularly to ensure availability of accurate and relevant information in compliance with regulatory requirements.

Corporate Briefing Session

A corporate briefing session was conducted on November 19, 2024, via Zoom, to update shareholders’ interests and analysts on the Company’s operational and financial performance for the year ended June 30, 2024.

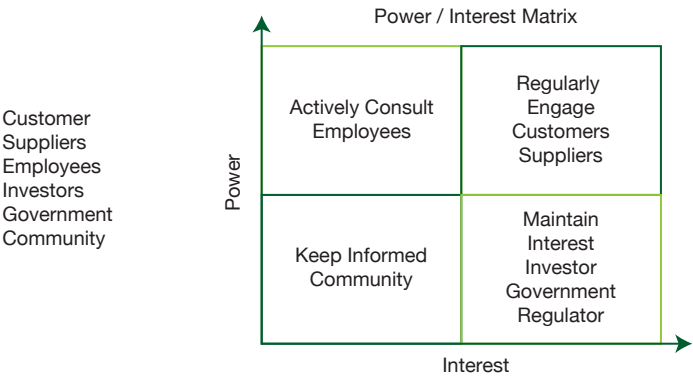
The session was led by the Chief Executive Officer and Chief Financial Officer, where management team and one director were present. It provided stakeholders with an overview of financial results, operational highlights, and strategic direction, followed by an interactive Q&A session to address shareholder queries and gather feedback. Such sessions are a key component of the Company’s engagement strategy to maintain transparency and strengthen investor confidence.

Redressal of Investors' Complaints

The Company has established effective mechanisms for investor grievance handling and ensures timely redressal of all concerns. A dedicated Investor Relations contact is available through the corporate website for lodging complaints. For the year ended June 30, 2025, no investor complaints were received.

Stakeholder Engagement

TTML recognizes stakeholder engagement as a strategic imperative that goes beyond compliance. By fostering transparent communication, fairness, and collaboration, the Company builds trust, strengthens resilience, and creates sustainable long-term value for shareholders, employees, customers, communities, and all other stakeholders.



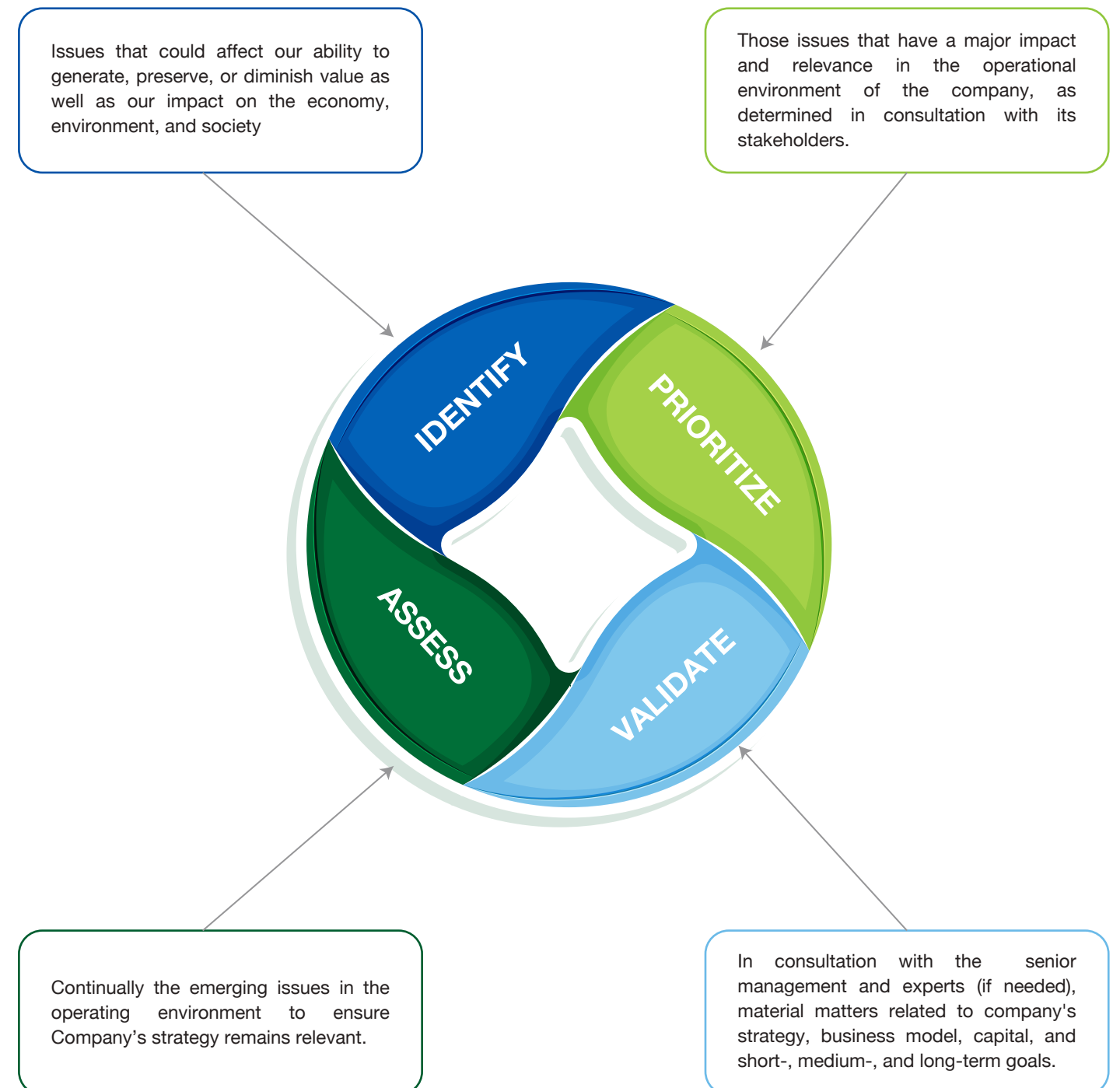
Sr. No.	Stakeholder And Management Initiatives	Engagement Mechanism and Frequency of Engagement	Key Engagements
1	Shareholders / Investors Ensure regular communication through annual and quarterly reports, Annual and Extra ordinary general meeting(s), and corporate briefings. Promote transparency in financial reporting and governance practices. Provide accessible grievance redressal mechanisms.	<ul style="list-style-type: none">- Annual General Meetings (AGMs) (A)- Quarterly Reports (Q)- Annual Reports (A)- Corporate Briefings (A)- Investor Queries (as needed)- Company Website(O)	<ul style="list-style-type: none">- Share price and liquidity- Business expansions- Corporate governance and risk management practices- Return on investment (ROI)- Social and environmental impact- Working Capital requirements
2	Customers Deliver high-quality products and services that meet expectations. Maintain transparent communication to build trust. Actively seek and incorporate feedback. Uphold ethical practices including consumer rights and data protection. Innovate continuously through digital and sustainable solutions.	<ul style="list-style-type: none">- Customer service channels (O)- Feedback surveys (R)- Meetings (R)- Direct communication (O)- Digital platforms (R)	<ul style="list-style-type: none">- Product quality and reliability- Environmental footprint- Ethical labour practices- Sustainable supply chain- Competitive pricing
3	Suppliers and Business Partners Engage in fair, transparent, and mutually beneficial relationships. Promote responsible sourcing and supply chain sustainability. Conduct regular assessments to ensure compliance with ethical and quality standards. Implement ethical procurement guidelines to prevent corruption.	<ul style="list-style-type: none">- Supplier meetings (R)- Audits, Assessments (P)- Contracts (R)- Training and awareness programs (O)	<ul style="list-style-type: none">- Timely payments and ease of transacting- Constructive feedback- Guidance on social and environmental conformity- Opportunities for economic development and business growth- Ease of transactions via supplier portal

Sr. No.	Stakeholder And Management Initiatives	Engagement Mechanism and Frequency of Engagement	Key Engagements
4	Banks and Financial Institutions Maintain transparency in financial dealings. Ensure timely loan repayments and adherence to contractual obligations. Strengthen financial risk management to protect stakeholder interests.	<ul style="list-style-type: none"> - Formal meetings (R) - Reports(R) - Disclosures (R) - Timely repayments (as per agreements) 	<ul style="list-style-type: none"> - Compliance with regulations - Timely payment of financial obligation - Contribution to economic growth
5	Regulators and Government Authorities Comply with all applicable laws, regulations, and industry standards. Engage proactively with regulators to influence policy development and governance improvements. Foster a culture of compliance and risk management.	<ul style="list-style-type: none"> - Regulatory filings (as required) - Inspections (as required) - Consultations (O) - Dialogue sessions (as needed) - Compliance reports (P) 	<ul style="list-style-type: none"> - Compliance with all applicable regulatory requirements - Timely payment of regulatory dues and taxes - Contribution to economic growth - Environmental and social implications
6	Employees Promote diversity, inclusion, and meritocracy. Provide fair compensation, safe working conditions, and career growth opportunities. Foster open communication and engagement programs. Offer learning and development opportunities. Encourage work-life balance and well-being initiatives.	<ul style="list-style-type: none"> - Performance reviews (O) - Surveys (R) - Trainings (R) - Town halls (R) - HR portals (O) - Grievance handling (as needed) 	<ul style="list-style-type: none"> - Attractive remuneration packages - Opportunities for training and development - Safe and conducive workplace - Career Progression Opportunities
7	Local Communities and Society Invest in CSR initiatives focused on education, healthcare, and environmental sustainability. Minimize environmental footprint through responsible practices. Engage in community development aligned with social impact objectives. Measure and report CSR impact.	<ul style="list-style-type: none"> - CSR programs(O) - Community meetings (O) - Collaboration for Literacy programs for Labors and their children (O) - Public reports (as required) 	<ul style="list-style-type: none"> - Opportunities for socio-economic development - Employment opportunities - Livelihood and community development - Environmental preservation
8	Media Maintain professional and transparent media relationships. Designate a corporate communications team for media and crisis communication. Ensure accurate, timely, and consistent messaging to protect and enhance reputation.	<ul style="list-style-type: none"> - Press releases (as needed) - Media briefings (A) - Company website (O) - Social media (O) - Crisis communication protocols (as needed) 	<ul style="list-style-type: none"> - Accurate and timely information - Organizations updates via social media - CEO video message
O - Ongoing R - Regularly P - Periodically A - Annual Q - Quarterly			

Materiality Approach

The Company considers an item is material if, individually or collectively, it is anticipated to significantly affect the performance and profitability of the Company. Materiality is a matter of judgment. The delegation of authorities has also been clearly defined, and standardized procedures are followed for the carry out of day-to-day operations and transactions. All the matters as required by the Companies Act 2017 are referred to the Board of Directors for its approval.
















The company's approach to assessing materiality offers a comprehensive perspective on the impacts both within and outside the organization. This report concentrates on the issues, opportunities, and risks that significantly affect its resources, its ability to conduct sustainable business, and its impact on the economy, environment, and people, including their human rights.



Materiality Analysis and Matrix

The table below lists the material concerns that have been observed. The issues have been graded according to how they affect stakeholders' assessments and decisions as well as the importance of their impact on the economy, society, and the environment. The materiality matrix supports us in determining where to allocate our internal resources as well as in identifying issues for the stakeholders.

Area	Material Topic	Impact on Business	Impact on ESG	Boundary
Economic	Economic Performance	High	Moderate	TTML
	Anti-competitive Behavior	Moderate	Low	TTML
	Responsible Procurement Practices	Moderate	Moderate	TTML
Social	Fair Employment	High	High	TTML / Community
	Occupational Health and Safety	High	High	TTML
	Business Ethics	High	High	TTML / Supplier / Customer
	Human Rights	High	High	TTML / Supplier / Customer
	Diversity & Equal Opportunity	Moderate	Moderate	TTML
	Training and Education	High	Moderate	TTML/ Community
	Compliance with Governmental Regulations	High	High	TTML / Regulator
Environment	Energy and Water	High	High	TTML/ Community
	Carbon Emissions	High	High	TTML/ Community
	Sustainable Packaging	Moderate	Moderate	TTML/ Community
	Material Consumption	High	High	TTML/ Supplier
	Environmental Compliance	Moderate	High	TTML / Regulator/ Community

Impact on Business				
Impact on stakeholders	High	Low	Moderate	High
			 Environmental Compliance	 Carbon Emissions  Energy and Water  Business Ethics  Occupational Health and Safety  Human Rights  Material Consumption  Compliance with Governmental Regulations  Fair Employment
	Medium			
			 Responsible Procurement Practices  Diversity & Equal Opportunity  Sustainable Packaging	 Economic Performance  Training and Education
	Low			
			 Anti-competitive Behavior	

Legends: 🌿 Economic | 🌿 Social | 🌿 Environment

Performance and Position



Analysis on Financial & Non-Financial Performance

Financial Performance

Financial Performance in Comparison with Prior Year

During the year the Company has successfully achieved revenue of Rs. 41.24 billion as compared to Rs. 45.82 billion turnovers attained last year, primarily due to 10% decline in sales volume. Moreover, on the cost front, the Company has faced multiple challenges from rising raw material prices and energy tariffs, inflationary impacts on key cost components and slow declining interest rates, global supply chain challenges and high fuel prices. The Company recorded a net profit after tax of Rs. 1,113 million this year as compared to net loss of Rs. 554 million recorded in the prior year. The Company recorded a decline in the gross profit margin to 5.6% as compared to 7.3% last year whereas, the net profit margins increase to 2.7% this FY as compared to the net loss margin of -1.2% last year.

A brief analysis of the Company's financial performance in comparison to the prior year has been reported in the 'Financial performance' section of Directors' Report. Further details can also be viewed in the 'Horizontal / Vertical Analysis' section of this Annual Report.

Financial Performance in Comparison with Budget

The management firmly follows the practice of preparation & monitoring of annual and quarterly budgets to ensure that the financial, operational, and capital strategies that were developed and approved for execution as part of the budget process are coming together as planned. After execution, budgets are thoroughly examined to poster accountability related to expenditure. Moreover, this systematic & detailed monitoring exercise allows the management to assess the need for any remedial action, ensure new initiatives are delivering anticipated progress and gather more insights that may impact forthcoming undertakings.



Financial KPI

Key Performance Indicator is a measurable value that demonstrates how effectively and efficiently the company is achieving key business objectives. The company employs KPIs in multiple aspects of business to gauge their success at meeting targets. The KPIs evaluated to measure achievement against objectives has been detailed below:



Non-Financial KPI

Human Capital

OBJECTIVES	KPIs Monitored
Efficient human capital management in a systematic and efficient manner.	Alignment of individual objectives with corporate objectives with predefined grading structure to appraise employees fairly.
Monitoring training and skilled labor efficiencies.	Development of learning management system to evaluate the results of external / internal training and assess and identify further learning needs for the employees.

Manufactured Capital

OBJECTIVES	KPIs Monitored
Operational excellence	Significant capital expenditure was incurred during the year on technologically advanced machinery to enhance labor productivity, reduce costs, and improve energy efficiency.
Maintenance of quality of yarn	Product quality is monitored at every stage of the production cycle to ensure that our products always meet the expectations of our customers.Regular Customers’ feedback on quality was obtained and recorded.
Philosophy of innovation, continuous improvement, and growth	Adoption of latest techniques across all critical contemporary performance units and various improvements in the production process were recorded. The new process development initiatives are focused on promoting innovation.

Intellectual Capital

OBJECTIVES	KPIs Monitored
Leverage technology for business process automations	Over the period under review, significant investment was made in the deployment of a state-of-the-art Cloud-based ERP solution. Efficiencies were further enhanced through the integration of data flow from several modules with business-intelligence enabled dashboard reporting, alongside automation of bank reconciliations through MT940 and SRM.
Best Corporate Governance and ethical approach	Ensuring that SOP’s, work instructions & job descriptions are aligned with appropriate policies. Zero tolerance was postered towards any fraudulent activity.
Retention, recruitment, and development of employee capabilities	Functional strength of the Company is sustained by retaining highly qualified and skilled employees across all cadres and conducting regular training sessions for them to enhance their competencies.

Social & Relationship Capital

OBJECTIVES	KPIs Monitored
Contribute responsibly as a corporate citizen	Active participation and contribution in CSR activities, including sponsorships, education scholarships, and donations, reflect a strong sense of responsibility towards society in the areas of education, health, and community welfare.

Natural Capital

OBJECTIVES	KPIs Monitored
Embracing and encouraging environmental sustainability practices	Adopted several environmental sustainability measures, including optimized natural resource consumption, efficient use of sustainable raw materials for yarn production, greater reliance on solar energy, and minimal use of depleting natural gas for power generation.

Non-Financial Performance in Comparison with Budget

The Company also places emphasis on its non-financial Key performance indicators and accordingly allocated budget for the growth of its manufactured, human, social, and intellectual capital during the year. The management regularly evaluated the aforementioned KPIs and significant deviations from the previous year were examined for timely corrective actions. These KPIs are reviewed by the Board on a quarterly basis. The management anticipates these KPIs to be relevant in the future as well to assess the Company’s performance.

Methods & Assumptions Used in Compiling the Indicators

Key Performance Indicators (KPIs) represent the Company's return. The Company uses different sets of methods and assumptions while compiling its financial and non-financial indicators. The Company analyses its market positioning, competitors' competencies, employees' capabilities and general market conditions while compiling its non-financial indicators. The Company evaluates sales, gross profit, profit after tax and earnings per share on a regular basis to analyze its financial performance. Market price is the measure of perception of the Company in the market. The Company also analyses the market price of shares with its book value to evaluate investors' confidence in the script.

The Company manages its dividend policy with the objective of enhancing shareholders' wealth while ensuring long-term financial sustainability. Dividend declarations are determined after evaluating distributable profits, future expansion needs, capital structure, debt ratios, prevailing market conditions, share price performance, and compliance with applicable laws and regulations. For the year under review, no dividend has been declared in order to maintain a prudent balance between debt obligations and business growth requirements.

The key assumptions used for compiling financial indicators are below:

Financial Position

- Appropriateness of capital mix of the Company
- Proportion of financial leverage in debt equity mix
- Monitoring current ratio

Financial Performance

- Growth in export and local sales
- Exploring opportunities to source the best quality raw materials at competitive prices
- Managing key components of variable cost
- Initiating and maintaining techniques for optimal fixed cost absorption
- Increasing green energy use to reduce variable cost

Liquidity Position

- Monitoring on funds used in / generated from operating, investing and financial cash flow activities
- Reviewing funds used in working capital management
- Effectively segregating cash and non-cash items

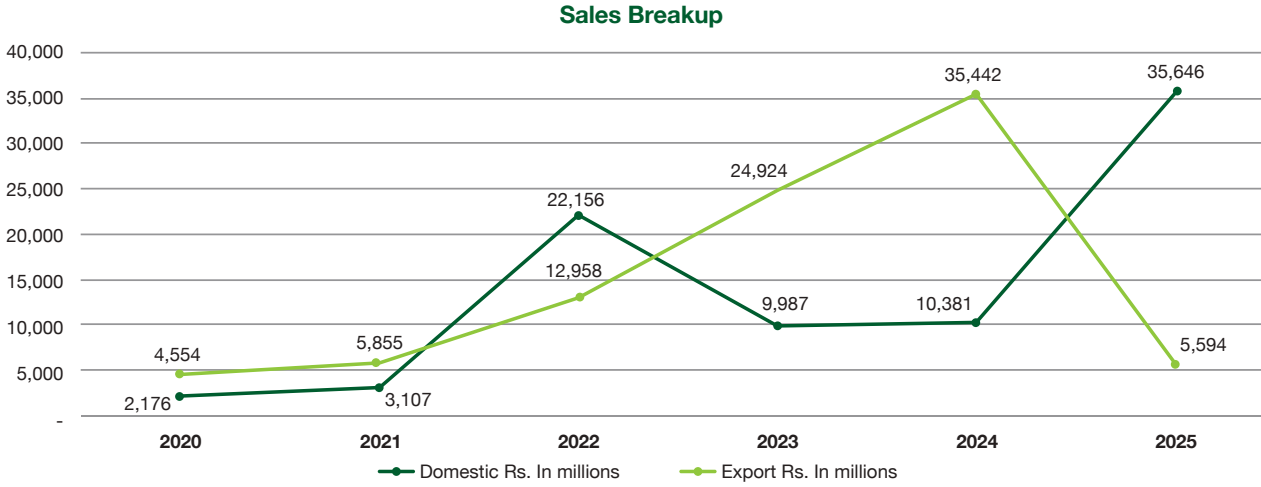
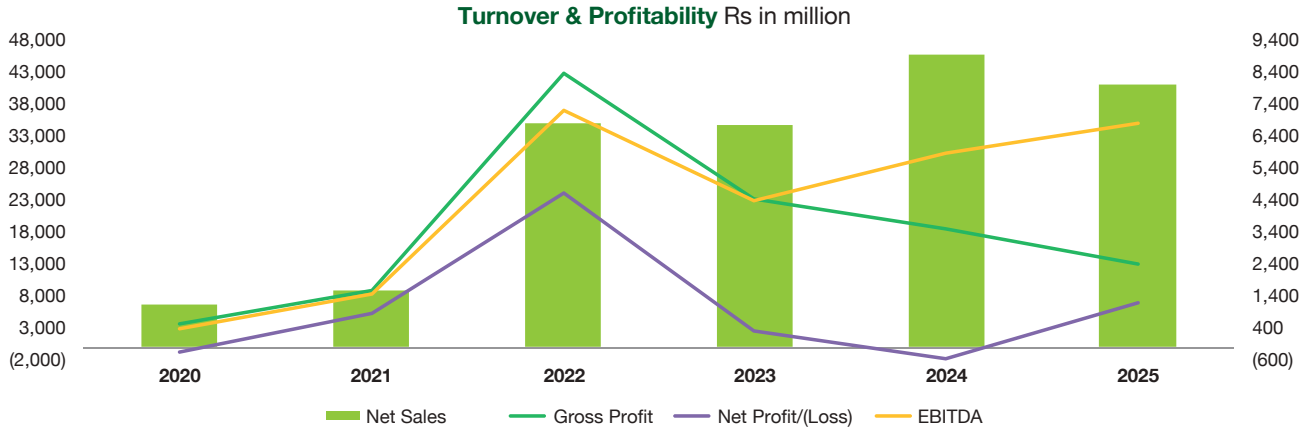
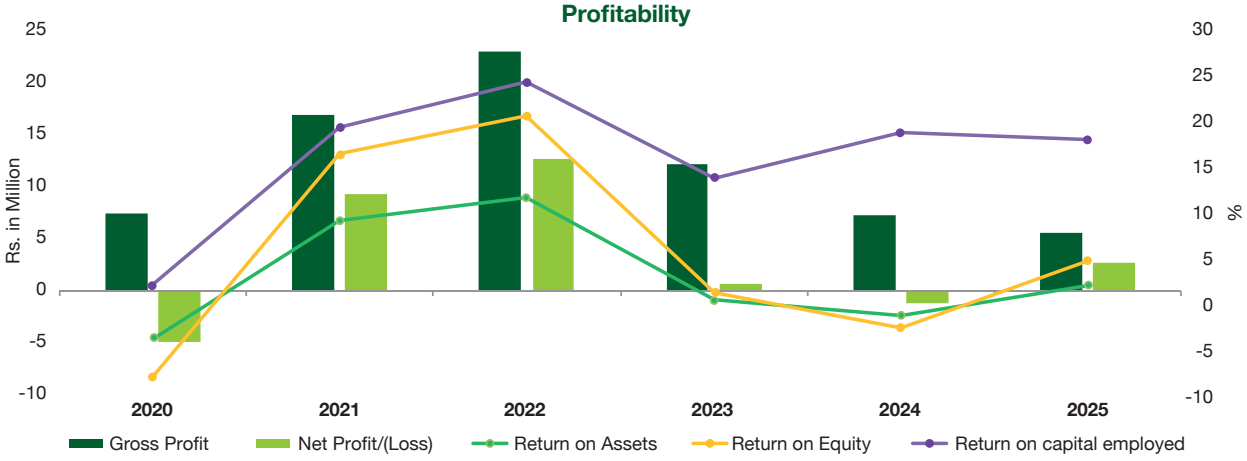
All indicators are developed based on fundamental assumptions and are subject to periodic review and monitoring. The Company conducts variance analysis against comparative period figures and budgeted targets, presenting outcomes quarterly to the Board and monthly to Management. These outcomes are finally used to report financial information to all users of the financial statements in the form of annual financial statements.

Key Operating and Financial Data

Ratios	UOM	2025	2024	2023	2022	2021	2020
Profitability Ratios							
Gross Profit Ratio	%	5.55	7.28	12.16	22.94	16.80	7.39
Net Profit / (Loss) to sales	%	2.70	(1.21)	0.75	12.65	9.19	(4.89)
EBITDA Margin to sales	%	15.82	12.29	12.14	19.75	15.59	5.21
Operating leverage ratio	Times	(1.81)	1.27	77.89	1.49	27.31	(2,120.47)
Return on Equity	%	4.70	(2.65)	1.22	20.60	16.54	(7.90)
Return on capital employed	%	17.96	18.88	13.77	24.33	19.43	2.18
Shareholders' Funds	%	0.20	0.24	0.24	0.28	0.30	0.20
Return on Shareholders' Funds	%	0.09	(0.05)	0.02	0.41	0.30	(0.19)
Total Shareholder Return	%	1.04	(0.04)	0.03	(0.04)	1.75	0.17
Liquidity Ratios							
Current Ratio	Times	1.23	1.20	1.16	1.42	1.46	1.17
Quick/Acid test Ratio	Times	0.67	0.69	0.50	0.60	0.84	0.53
Cash on current liabilities	Times	0.01	0.02	0.01	0.02	0.40	0.11
Cash flow from operations to Sales	Times	0.06	0.08	0.13	0.21	0.16	0.06
Cash flow to capital expenditures	Times	2.46	4.65	2.14	4.88	26.00	1.38
Cash flow coverage ratio	Times	0.07	0.16	0.18	0.45	0.35	0.09
Investment / Market Ratios							
Earnings / (Loss) per Shares	Rs	19.88	(9.89)	4.65	79.35	47.54	(18.98)
Price/Earning ratio	Times	6.52	(6.43)	14.28	0.88	1.79	(1.63)
Price to Book ratio	%	30.66	17.01	17.41	18.09	29.64	12.90
Dividend Yield ratio	%	0.00	0.00	7.52	17.94	0.00	0.00
Dividend Payout ratio	%	0.00	0.00	107.46	15.75	0.00	0.00
Dividend Cover ratio	Times	0.00	0.00	0.93	6.35	0.00	0.00
Cash Dividend per Share	Rs	0.00	0.00	5.00	12.50	0.00	0.00
Breakup value per share with surplus on revaluation	Rs	423.12	373.84	381.82	385.16	287.39	240.25
Breakup value per share without surplus on revaluation	Rs	211.86	186.62	194.72	191.34	155.91	102.05
Market Value per share as at June 30th	Rs	129.71	63.59	66.46	69.68	85.18	31.00
Highest market value per share during the year	Rs	129.71	86.00	75.79	90.70	91.36	32.95
Lowest market value per share during the year	Rs	34.05	57.57	50.89	56.61	29.15	18.04
Capital Structure Ratios							
Financial Leverage ratio	Times	1.09	0.84	0.79	0.50	0.60	0.81
Weighted average cost of debt	%	14.67	21.49	16.76	9.62	7.39	12.63
Debt to equity ratio (book value)	%	26.70	21.22	13.22	19.12	13.55	16.61
Debt to equity ratio (market value)	%	27.34	18.56	11.52	16.56	10.74	15.28
Total debt to equity ratio	%	144.38	112.08	116.11	76.59	82.77	107.67
Net assets per share	Times	42.31	37.38	38.18	38.52	28.74	24.03
Interest Cover / Time Interest earned ratio	Times	1.56	1.06	1.26	5.27	4.59	0.29

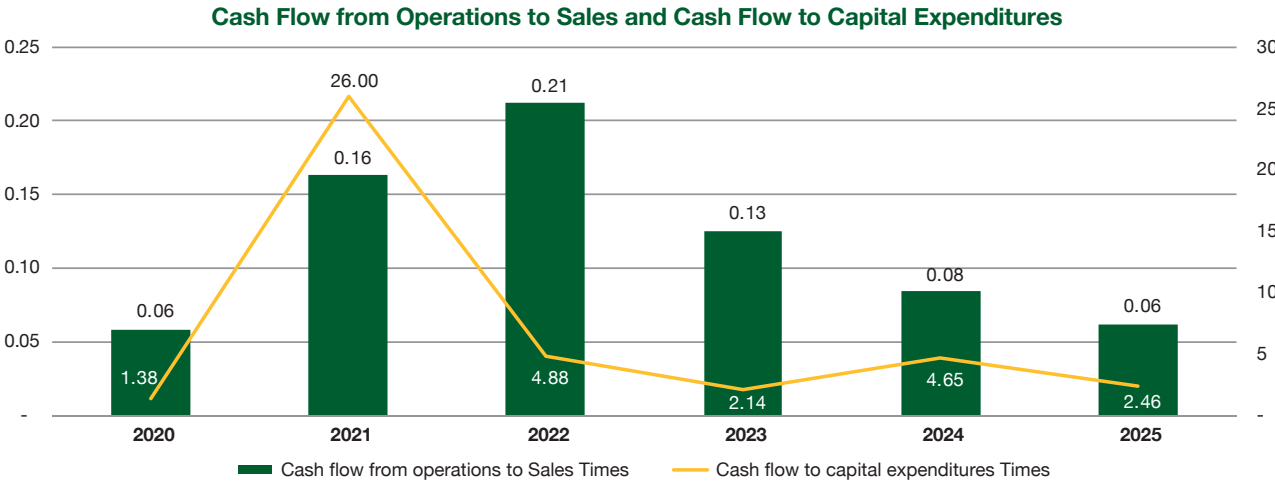
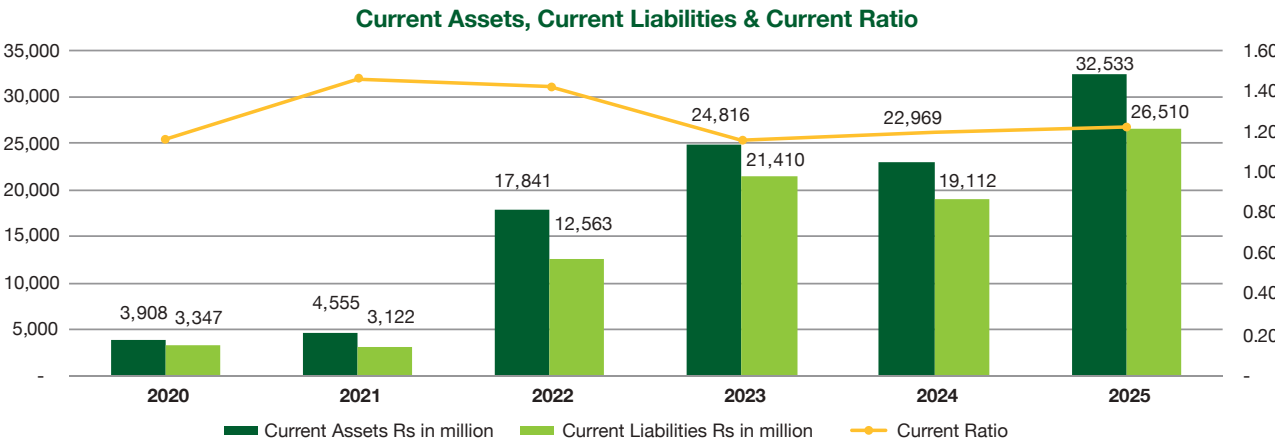
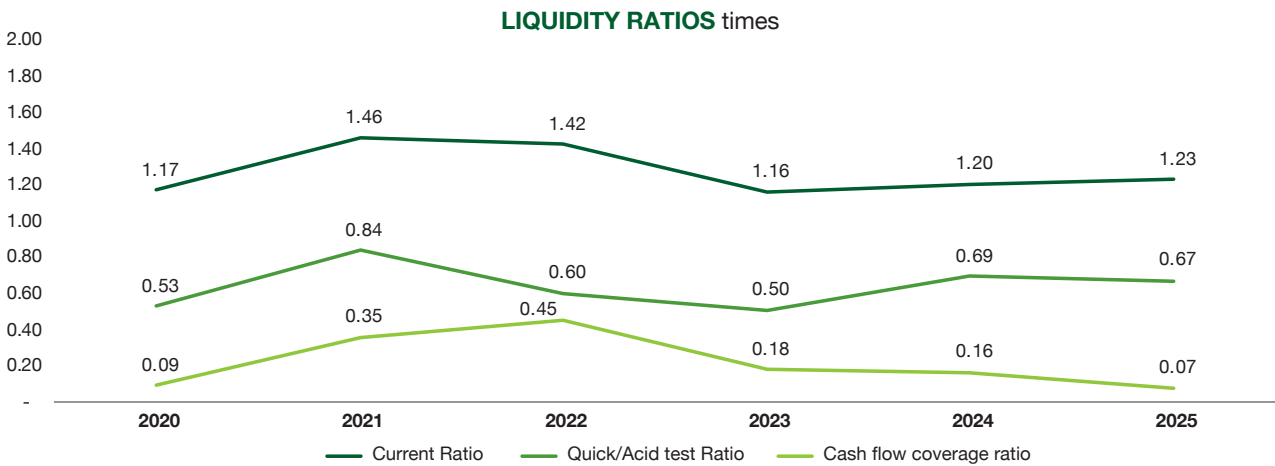
Ratios	UOM	2025	2024	2023	2022	2021	2020
Activity / Turnover Ratios							
Total Assets Turnover ratio	Times	0.71	1.03	0.75	0.92	0.98	0.78
Fixed Assets Turnover ratio	Times	1.63	2.14	1.63	1.73	1.97	1.42
No. of days in Inventory	Days	132	79	162	137	92	123
No. of days in Receivables	Days	52	55	68	43	35	54
No. of days in Payables	Days	26	18	49	31	21	28
Operating cycle	Days	158	116	181	149	106	149
Inventory Turnover Ratio	Times	2.76	4.64	2.26	2.67	3.95	2.96
Debtors Turnover Ratio	Times	6.91	6.60	5.26	8.28	10.39	6.67
Creditors Turnover Ratio	Times	14.04	19.81	7.46	11.77	17.42	13.08
Return on assets	%	1.92	(1.25)	0.56	11.67	9.05	(3.81)
Non-financial Ratios							
Production per Employee	Kg in '000'	14.47	14.36	13.54	13.87	14.02	13.10
Revenue per Employee	Rs. In '000'	13,209	14,460	11,139	10,621	2,676	5,837
Spares Inventory as % of Assets Cost	%	1.31	1.33	0.86	0.38	0.50	0.45
Maintenance Cost as % of Operating Expenses	%	0.18	0.16	0.23	0.19	0.16	0.18

Financial Ratios



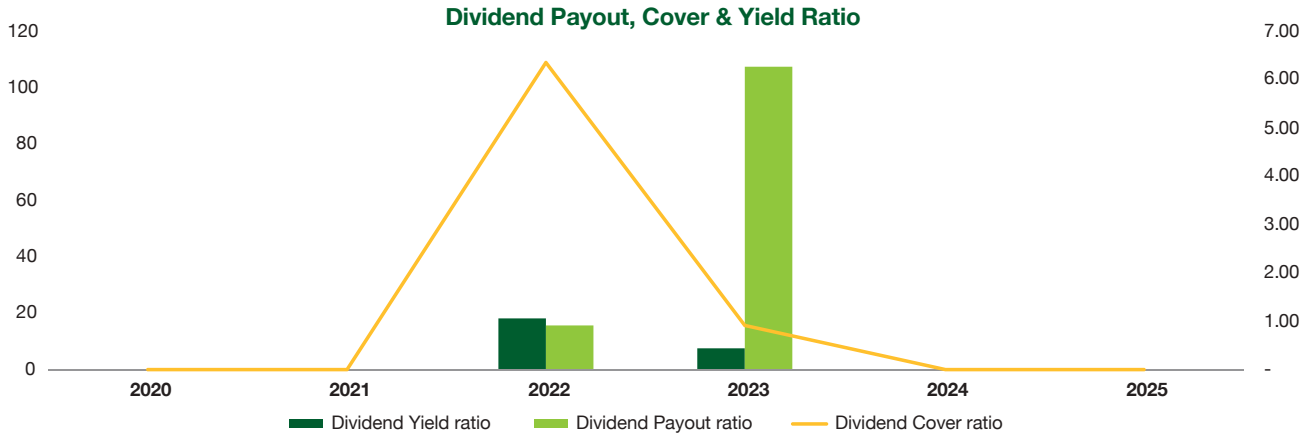
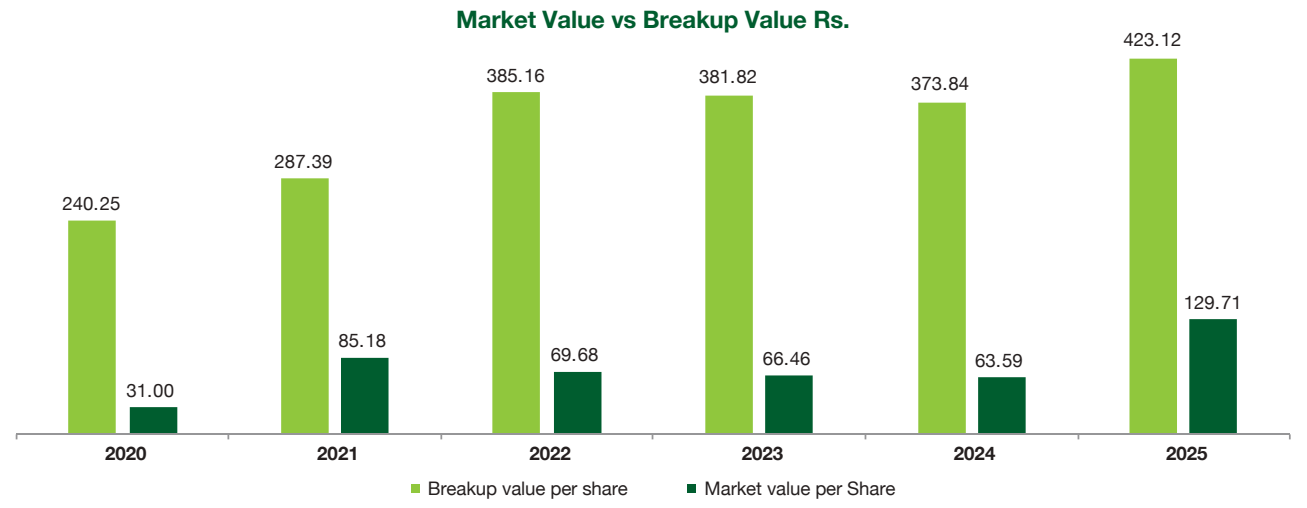
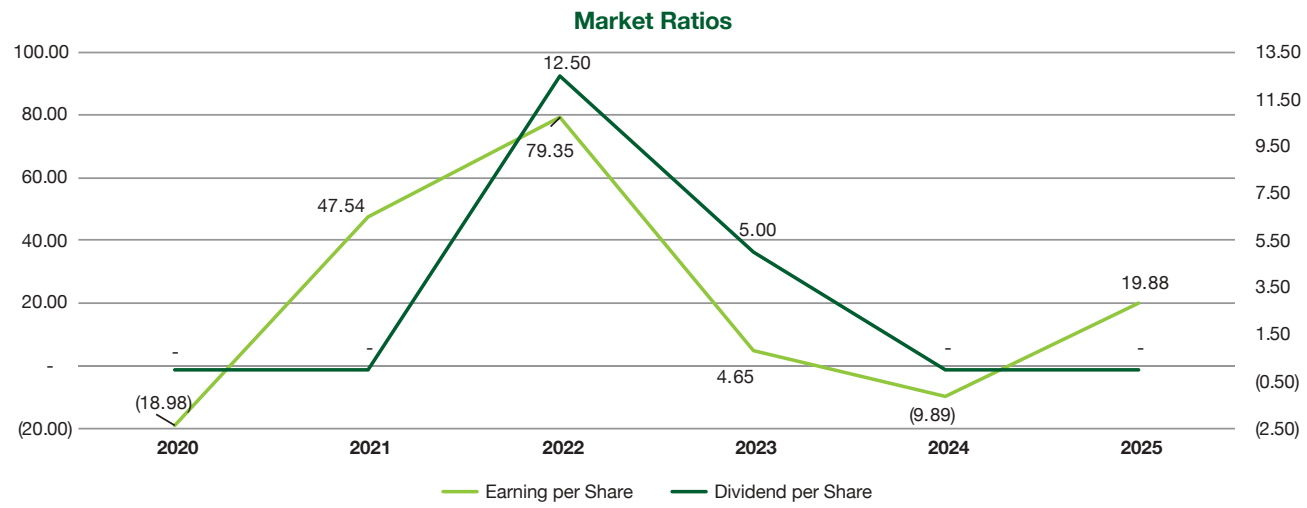
Profitability Ratios

The profitability ratios, which had been on a declining trend in the prior year, improved during the current year primarily due to higher other income and reduced finance costs. However, sales revenue declined by 10% to Rs. 41.24 billion, mainly on account of lower sales volumes and intensified competition following changes in EFS regulations permitting import of tax-free yarn by exporters. Gross profit decreased to Rs. 2.29 billion in 2025 from Rs. 3.34 billion in 2024, with gross profit margin contracting from 7% to 5% due to high energy tariffs, increased minimum wages, and elevated input costs amid slow-declining inflation. Nonetheless, profitability was supported by a significant rise in other income to Rs. 4,786 million, driven by dividend income, realized and unrealized gains on investments, and higher returns on term deposits, enabling the Company to post a 301% increase in net profit after tax from last year. Consequently, Return on Equity (ROE) improved to 4.70% from -2.65% last year, while Return on Capital Employed (ROCE) stood at 17.96% compared to 18.88% previously.



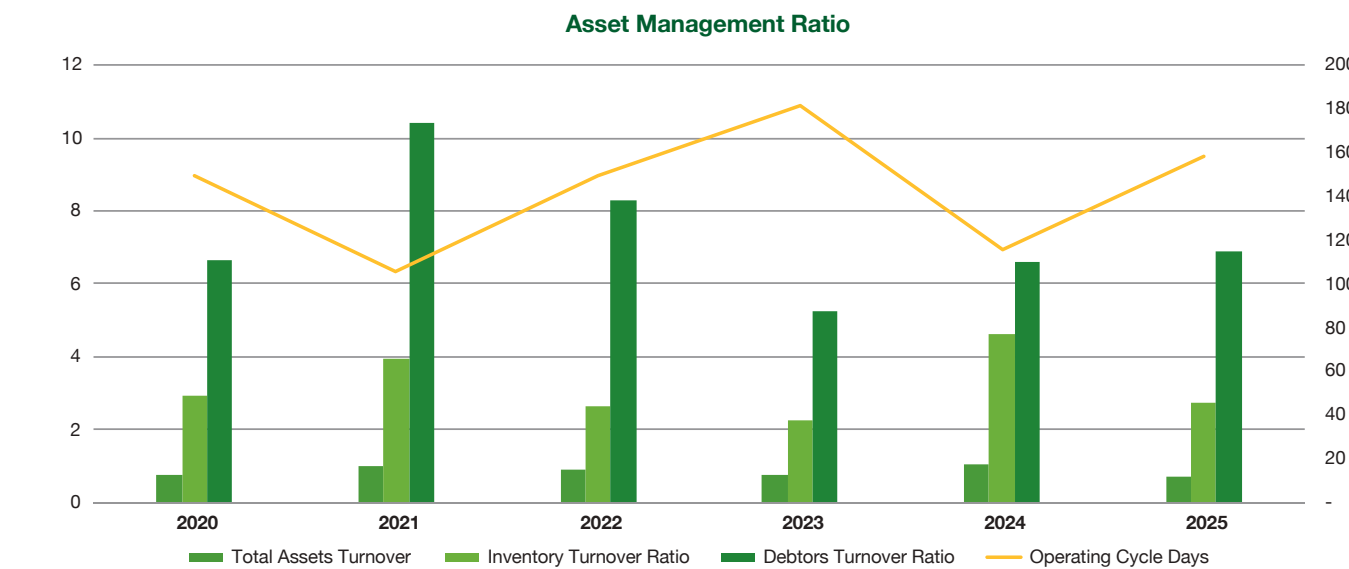
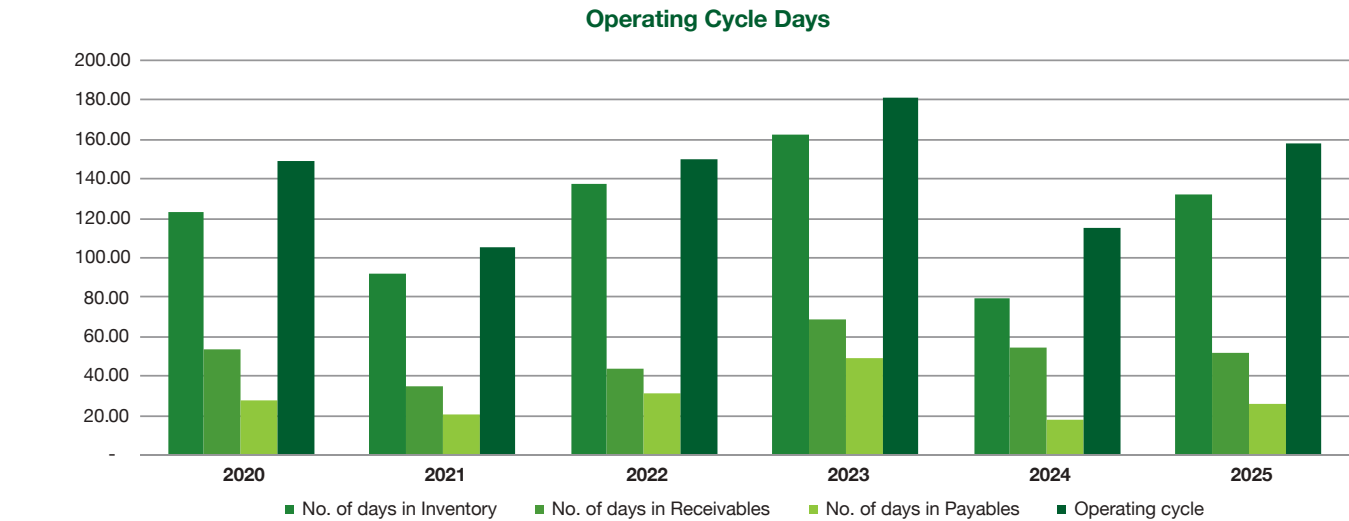
Liquidity Ratios

The Company’s liquidity position has remained stable over the years, reflecting prudent working capital management and a cautious financing approach. The current ratio improved to 1.23 times in 2025 from 1.20 times in 2024, ensuring sufficient capacity to meet short-term obligations. The quick ratio, however, slightly declined to 0.67 times compared to 0.69 times last year, but still indicates reasonable short-term solvency. Cash to current liabilities remained low at 0.01 times, consistent with reliance on efficient working capital utilization rather than holding idle cash balances. Cash flow from operations to sales weakened to 0.06 times from 0.08 times, reflecting pressure on operating cash flows. Meanwhile, cash flow to capital expenditures declined to 2.46 times from 4.65 times last year, owing to increased CAPEX during the period. Overall, the ratios demonstrate a balanced approach, with adequate liquidity coverage while maintaining a focus on operational and financing efficiency.



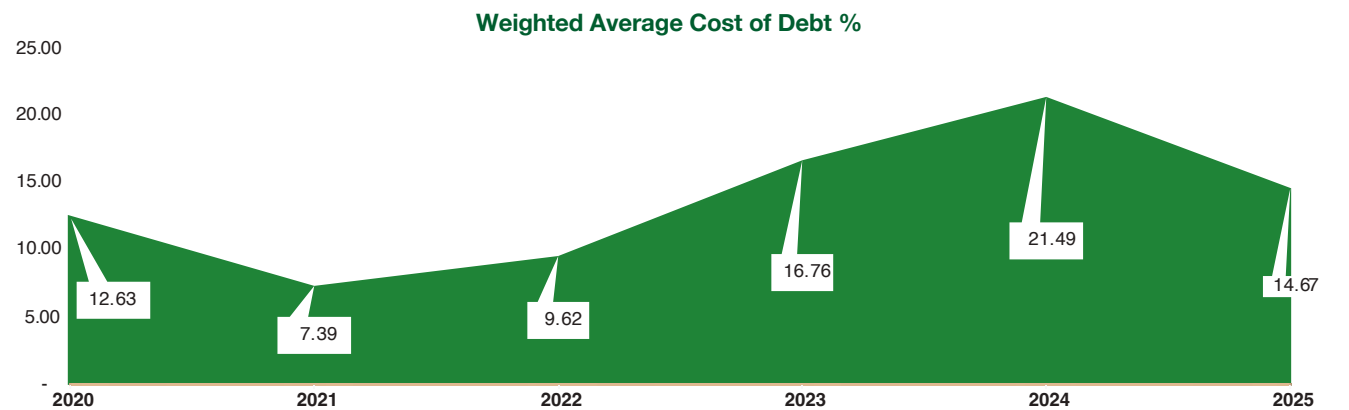
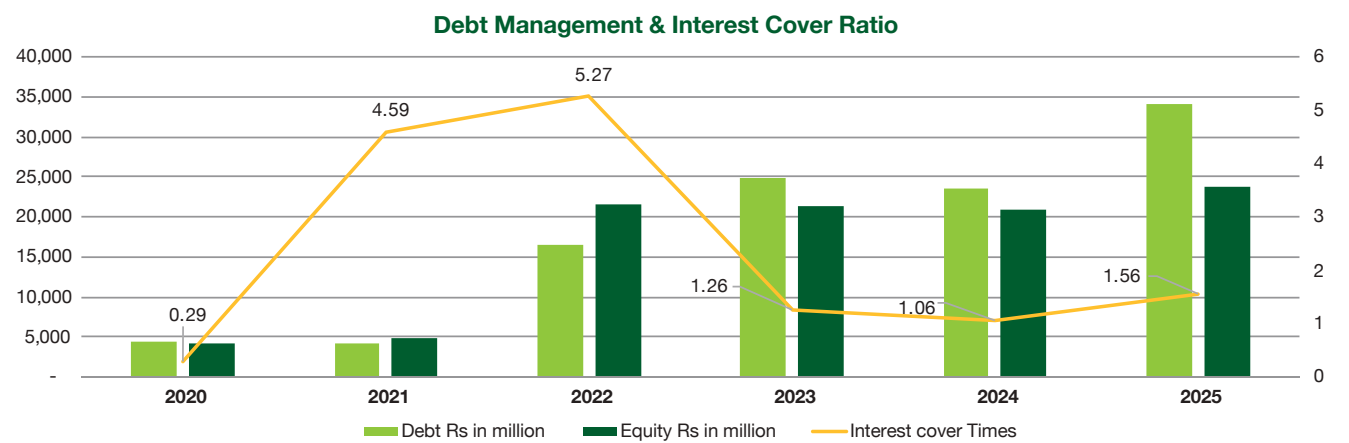
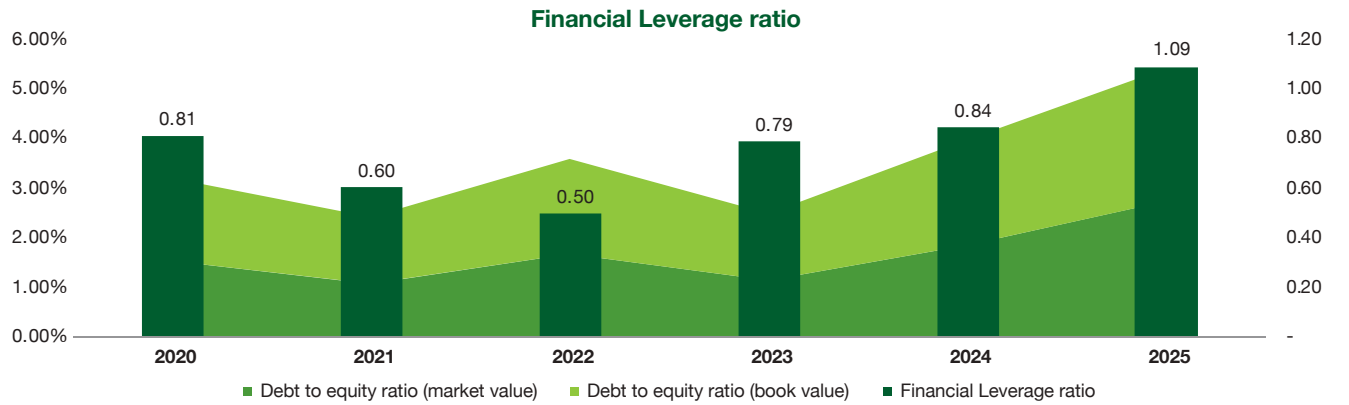
Investment / Market Ratios

In 2025, the Company recorded earnings per share (EPS) of Rs. 19.88, a significant turnaround from the loss of Rs. 9.89 in 2024, reflecting improved profitability. Consequently, the price-to-earnings ratio rose to 6.52 times compared to -6.43 times last year. The price-to-book ratio also improved to 30.66%, supported by stronger equity performance, resulting in a higher breakup value per share of Rs. 423.12 with surplus, as against Rs. 373.84 in the prior year. No dividend was declared during the year, as earnings were reinvested to strengthen financial resilience amid pressure on margins, along with the company’s working capital requirements and overall liquidity position. However, the Company’s market value per share nearly doubled to Rs. 129.71 at year-end, compared to Rs. 63.59 in 2024, with the highest market value during the year also reaching Rs. 129.71. This improvement reflects renewed investor confidence and stronger market perception despite prevailing industry challenges.



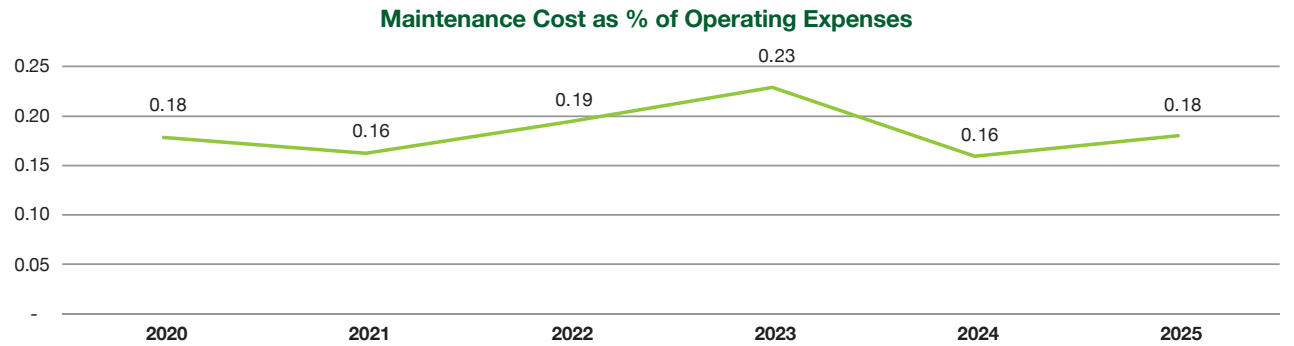
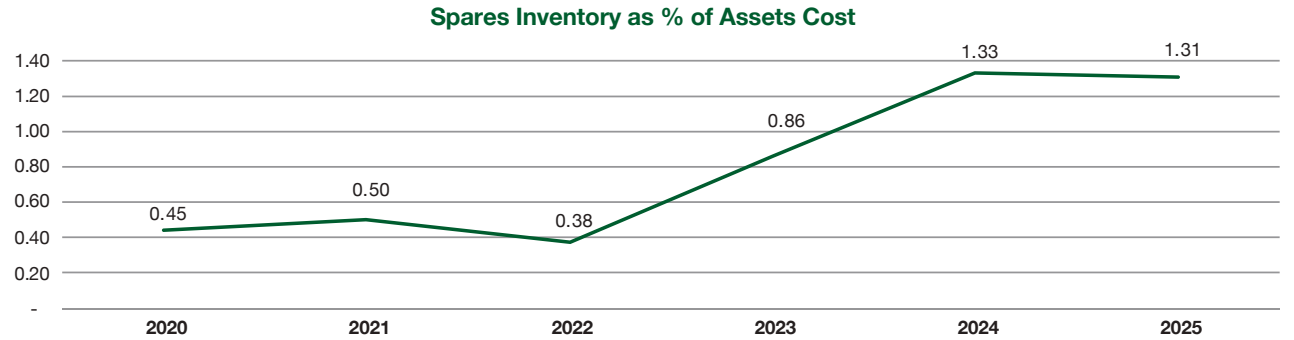
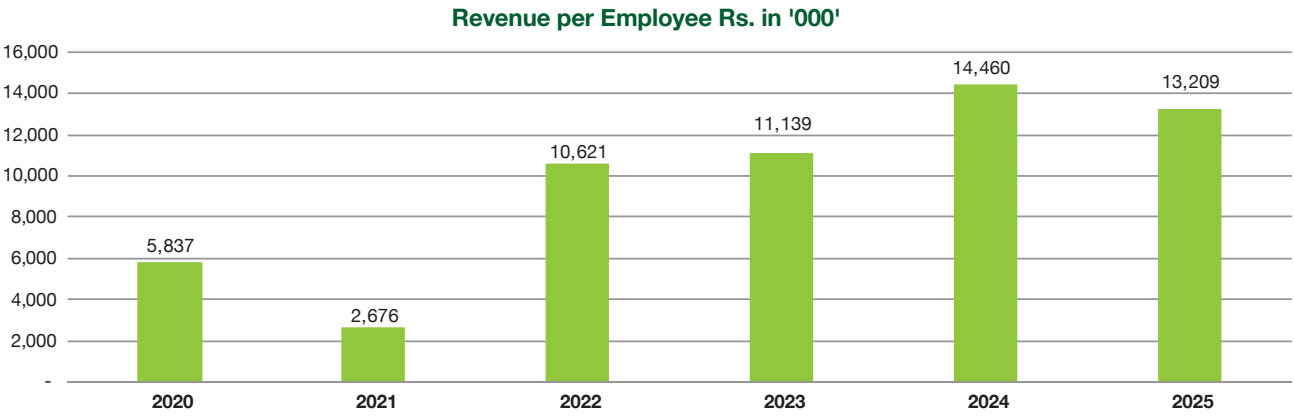
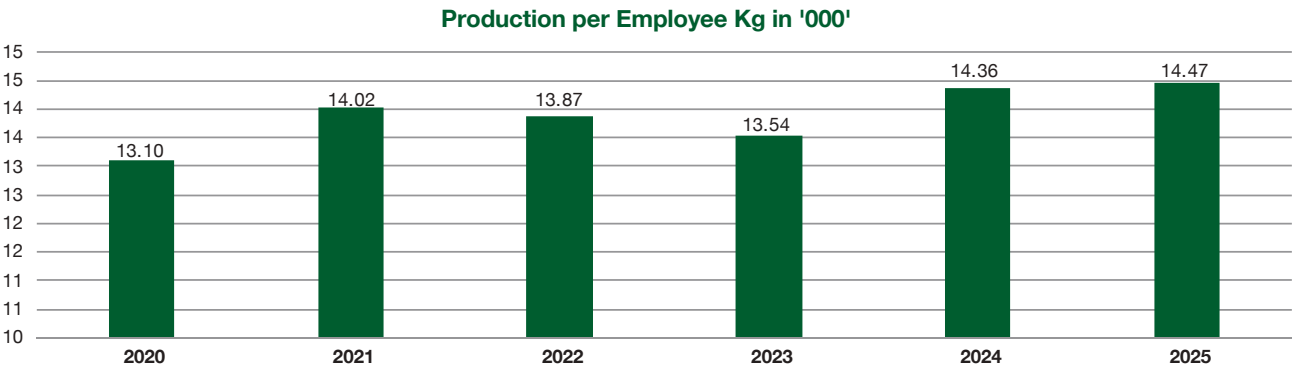
Activity Ratios

In 2025, the Company's activity ratios reflected a mixed trend. The total asset turnover ratio declined to 0.71 times from 1.03 times in 2024, primarily due to reduced sales and a higher asset base, while fixed asset turnover also decreased to 1.63 times from 2.14 times. Inventory turnover dropped to 2.76 times, with inventory holding days rising sharply to 132 days from 79 days, indicating slower inventory movement. Debtor turnover improved slightly to 6.91 times, reducing receivable days to 52 compared to 55 in 2024. Whereas, creditor turnover also declined to 14.04 times, with payable days extending to 26 from 18 last year, largely due to changes in import pattern of raw material. Consequently, the operating cycle stretched to 158 days from 116 in 2024.



Capital Structure Ratios

In 2025, the Company's capital structure reflected higher reliance on debt financing, as the financial leverage ratio increased to 1.09 times compared to 0.84 times in 2024, largely due to the term finance facility of Rs. 3.2 billion availed to support CAPEX. The debt-to-equity ratio also rose to 26.70% on a book value basis and 27.34% on a market value basis, reflecting a greater share of debt in the capital mix. Although the weighted average cost of debt eased to 14.67% from 21.49% in 2024, it remained significantly higher than earlier years, maintaining pressure on finance costs. The interest coverage ratio improved to 1.56 times from 1.06 times in 2024, indicating slightly better debt servicing capacity. Overall, while net assets per share increased to Rs. 42.31 from Rs. 37.38.

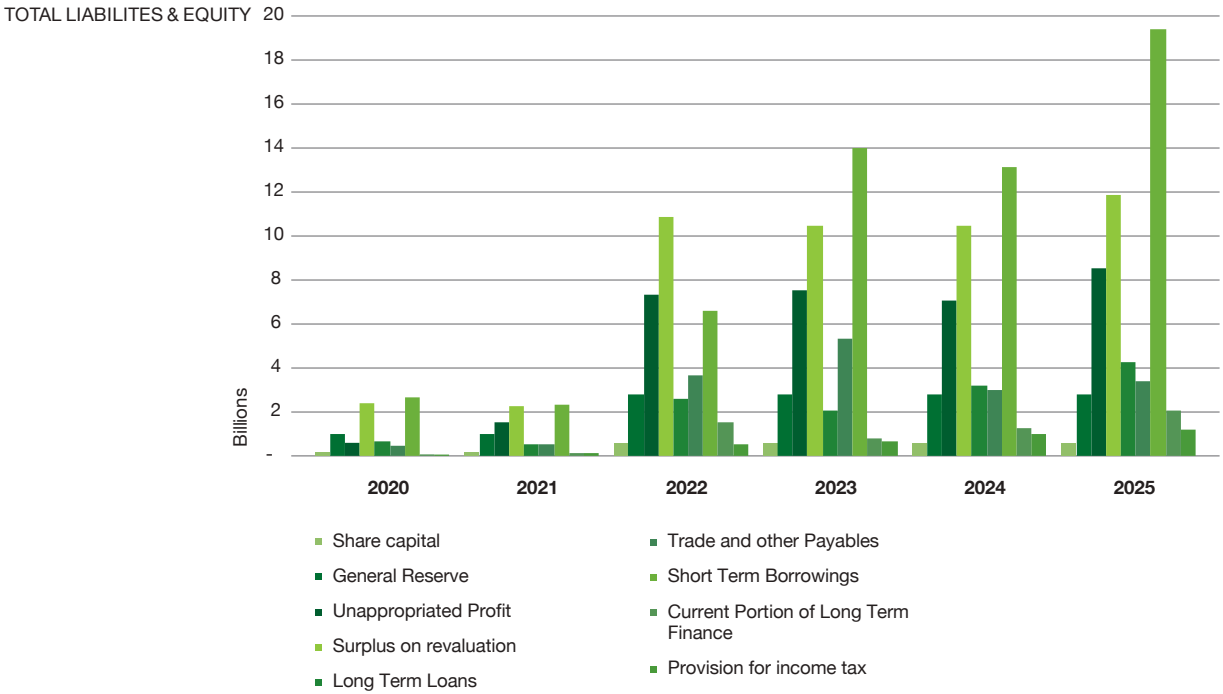
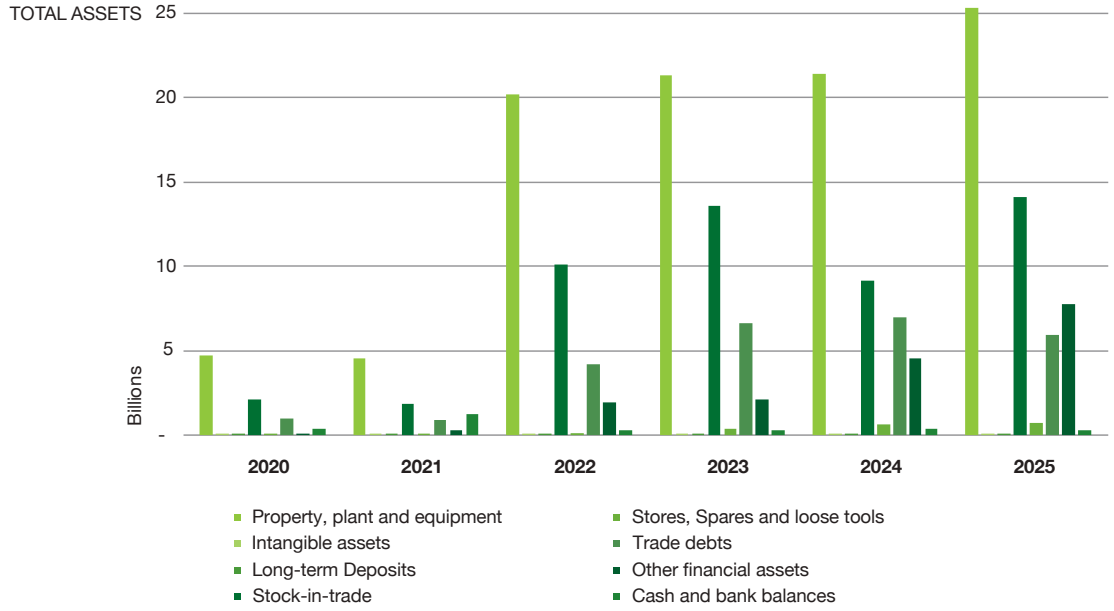


Non-Financial Ratios

The non-financial ratios for 2025 reflect sustained operational efficiency, with production per employee improving to 14.47 thousand kg, continuing the upward trajectory observed in recent years. Revenue per employee, although slightly lower at Rs. 13,209 thousand compared to Rs. 14,460 thousand in 2024. Spares inventory as a percentage of total assets remained steady at 1.31%, highlighting the Company's continued focus on ensuring operational reliability through adequate maintenance resources. Meanwhile, maintenance costs as a percentage of operating expenses stayed stable at 0.18%, consistent with effective cost management practices. Overall, the ratios indicate a well-balanced approach toward efficiency, resource allocation, and operational resilience.

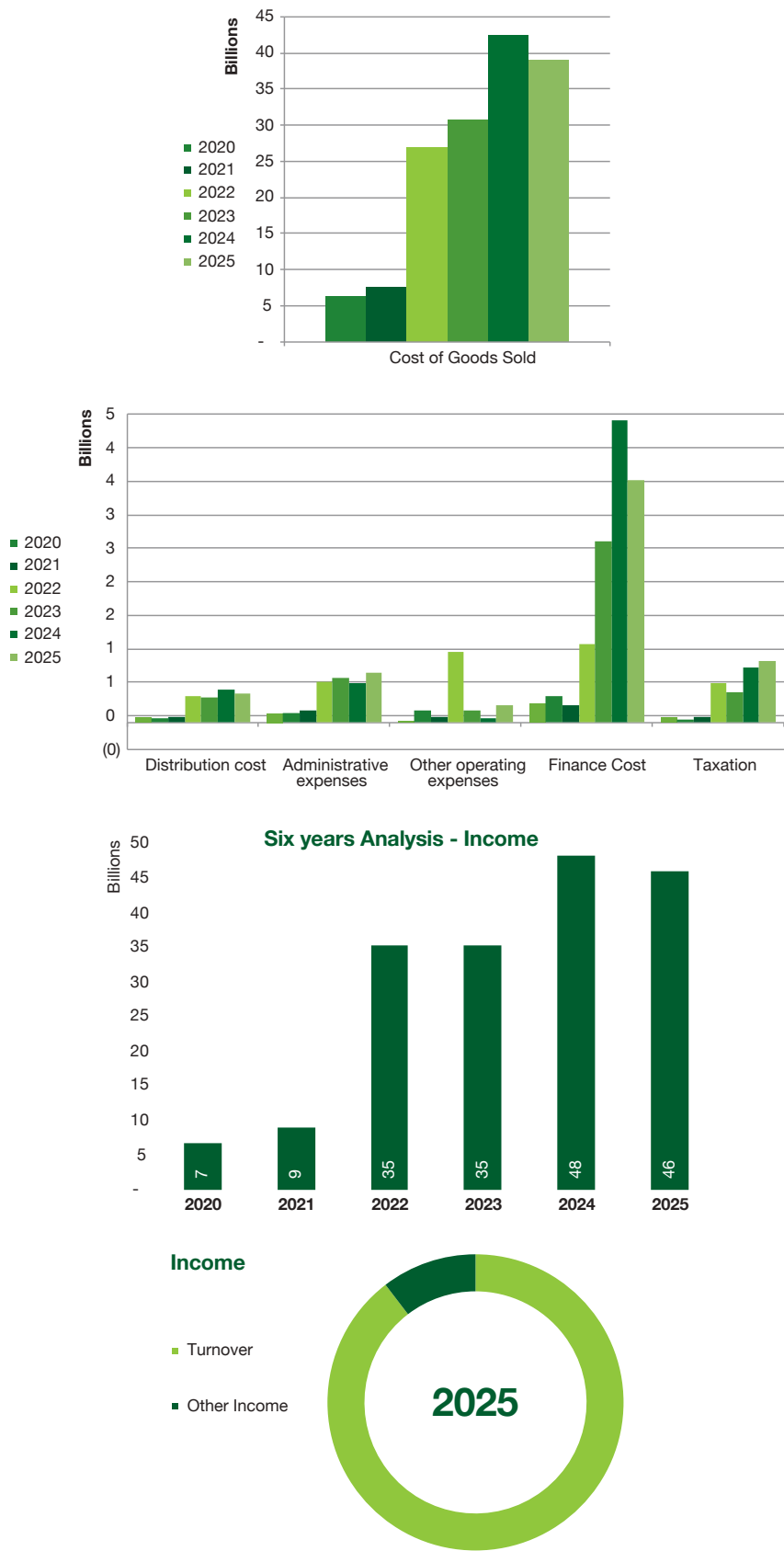
Financials at a Glance

Statement of Financial Position as at June 30, 2025



Financials at a Glance

Statement of Profit or Loss for the Year Ended June 30, 2025

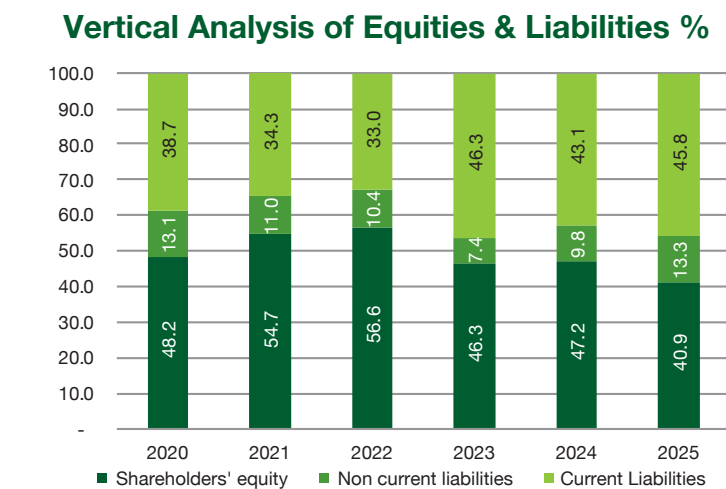
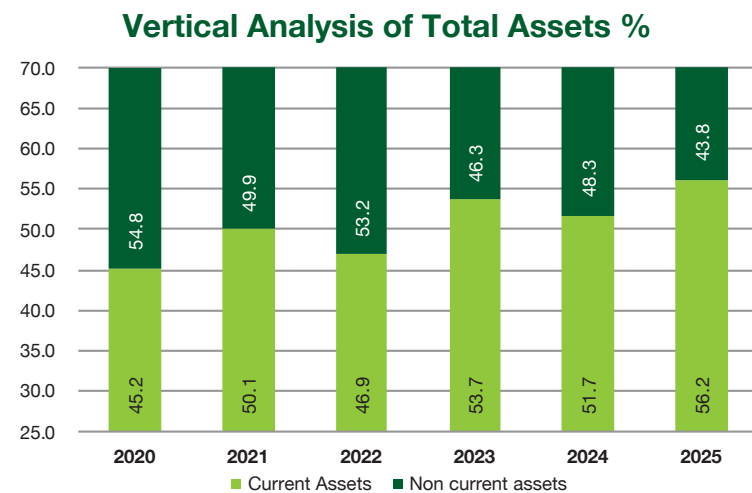


Analysis of Financial Position

	2025	2024	2023	2022	2021	2020
----- Rupees in million -----						
Property, plant and equipment	25,353	21,411	21,368	20,231	4,536	4,725
Other non current assets	13	14	18	11	8	10
Current assets	32,533	22,968	24,816	17,841	4,555	3,908
Total assets	57,899	44,393	46,202	38,083	9,099	8,643
Shareholders' equity	23,692	20,933	21,379	21,567	4,979	4,162
Non current liabilities	7,697	4,350	3,412	3,954	999	1,135
Current portion of long term financing	2,035	1,255	774	1,554	139	19
Current portion of deferred government grant	-	-	-	3	6	3
Short term borrowings	19,419	13,143	14,014	6,572	2,328	2,668
Other current liabilities	5,056	4,712	6,623	4,433	648	656
Total equity & liabilities	57,899	44,393	46,202	38,083	9,099	8,643

----- Percentage -----						
Property, Plant and Equipment	43.8	48.2	46.3	53.1	49.9	54.7
Other non current assets	0.0	0.0	0.0	0.0	0.1	0.1
Current assets	56.2	51.7	53.7	46.9	50.1	45.2
Total assets	100.0	100.0	100.0	100.0	100.0	100.0
Shareholders' equity	40.9	47.2	46.3	56.6	54.7	48.2
Non current liabilities	13.3	9.8	7.4	10.4	11.0	13.1
Current portion of long term financing	3.5	2.8	1.7	4.1	1.5	0.2
Short term borrowings	33.5	29.6	30.3	17.3	25.6	30.9
Other current liabilities	8.7	10.6	14.3	11.6	7.2	7.6
Total equity & liabilities	100.0	100.0	100.0	100.0	100.0	100.0

----- Percentage -----						
Property, Plant and Equipment	18.4	0.2	5.6	346.0	(4.0)	0.9
Other non current assets	(7.1)	(22.2)	63.6	37.5	(20.0)	(67.7)
Current assets	41.6	(7.5)	39.1	291.7	16.6	15.8
Total assets	30.4	(3.9)	21.3	318.5	5.3	6.9
Shareholders' equity	13.2	(2.1)	(0.9)	333.2	19.6	(6.8)
Non current liabilities	76.9	27.5	(13.7)	295.8	(12.0)	21.7
Current portion of long term financing	62.2	62.1	(50.2)	1,018.0	631.6	(80.2)
Short term borrowings	47.8	(6.2)	113.2	182.3	(12.7)	23.9
Other current liabilities	7.3	(28.9)	49.4	584.1	(1.2)	51.2
Total equity & liabilities	30.4	(3.9)	21.3	318.5	5.3	6.9



Vertical Analysis

Property, Plant & Equipment

Property, plant and equipment increased by Rs. 980 million due to Capex in Solar-powered plants and BMR. The ratio of property, plant and equipment to total assets has decreased by 4% in comparison to the prior year.

Stock in Trade

The ratio of stock in trade to total assets has increased as compared to prior year owing to high inventory levels at reporting date.

Other Financial Assets

Other Financial Assets increased by Rs. 3.217 billion from last year due to realized and unrealized gain on Investment in listed securities and increase in term deposit receipts.

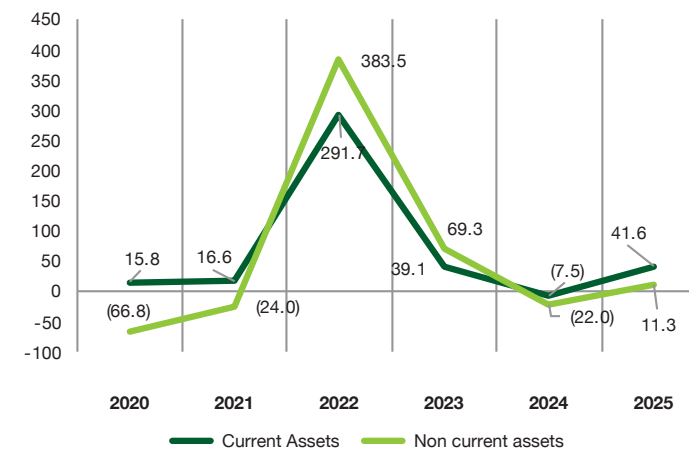
Current Liabilities

The Company consistently ensures that current liabilities remain at a manageable level. The increase during the year primarily reflects higher short-term borrowings to finance operational expenditure and meet working capital requirements.

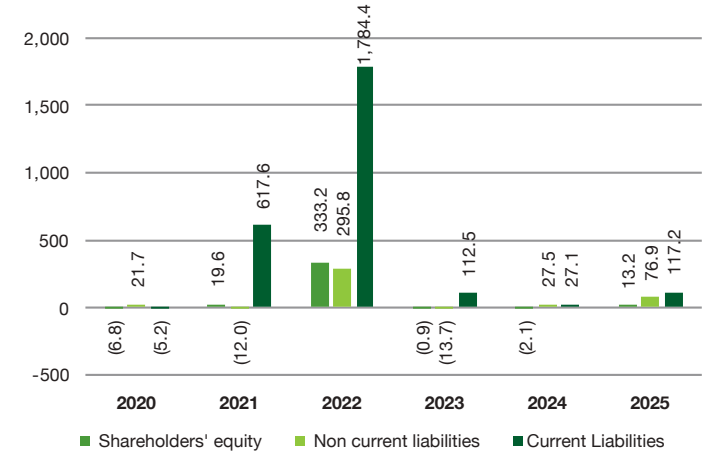
Long Term Finance

The percentage of long-term finance to total equity and liabilities has been increased as a result of the significant rise in capital expenditures incurred for Solar-powered plants and BMR.

Horizontal Analysis of Total Assets %



Horizontal Analysis of Total Equity & Liabilities %



Horizontal Analysis

Non-Current Assets

Non-Current Assets of the Company comprise of property, plant & equipment, intangible assets and long-term deposits. The non-current assets of the Company have increased by 437% from Rs. 4.7 billion in 2020 to Rs. 25.37 billion by 2025 mainly due to merger, continuous investment in latest machines, modernization and balancing of manufacturing facilities and installation of Solar power plants.

Current Assets

Stock in trade increased owing to high inventory levels from last year. Whereas, other financial assets have increased on account of realized and unrealized gain on Investment in listed securities.

Other receivables mainly include sales tax receivable. Sales tax refunds recovery depends on several considerations including but not limited to pending verification of sales tax claim by the sales tax department on the basis of the sales tax audit and funds available at the Government treasury.

Equity

During the past six years, the Company's share capital primarily increased due to merger in 2022. The reserves of the company witnessed several fluctuations over the period of 6 years, due to profit retention to finance capital expenditure. Resultantly, after the merger the total shareholders' equity stood at Rs.23.7 billion with an increase of 469% since 2020. A significant increase in 2022 is reflected due to surplus on revaluation of land and significant profitability. The company has managed to sustain the reserves of the company and distributed its retained earnings to shareholders diligently.

Non-Current Liabilities

Non-current liabilities comprise of deferred taxation and retirement benefits and Long-term financing. Long-term financing has increased over the years due to long term finance obtained for acquisition of plants and machinery on account of expansion and modernization of production facilities and installation of Solar power plants.

Current Liabilities

The current liabilities have increased due to an increase in short-term borrowing to meet working capital requirements.

Analysis of Profit or Loss

	2025	2024	2023	2022	2021	2020
----- Rupees in million -----						
Revenue from contract with customers - net	41,240	45,824	34,911	35,114	8,962	6,730
Cost of sales	(38,949)	(42,486)	(30,666)	(27,060)	(7,456)	(6,232)
Gross profit	2,291	3,338	4,245	8,054	1,506	498
Administration, selling and distribution expenses	(1,182)	(1,081)	(1,045)	(1,011)	(271)	(220)
Other operating expenses	(257)	(62)	(179)	(1,047)	(82)	(173)
Other income	4,786	2,579	392	212	9	11
Operating profit/(loss) before financing cost	5,638	4,774	3,413	6,208	1,162	116
Finance cost	(3,610)	(4,497)	(2,705)	(1,179)	(253)	(396)
Profit/(Loss) before taxation	2,028	277	708	5,029	909	(280)
Taxation	(915)	(830)	(448)	(586)	(85)	(49)
Profit/(Loss) after taxation	1,113	(553)	260	4,443	824	(329)

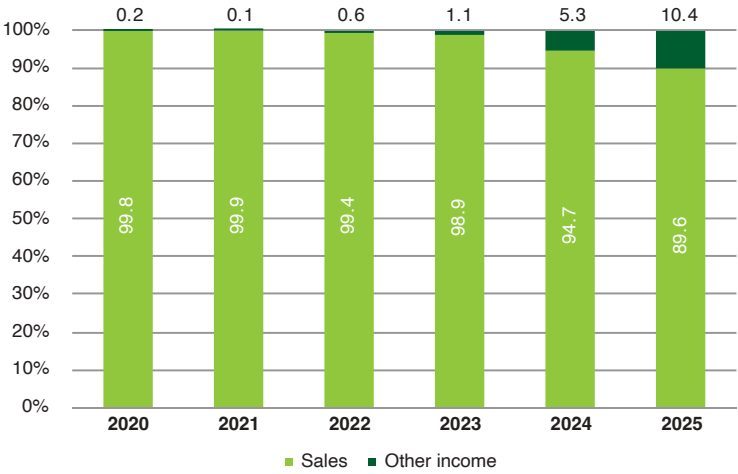
Vertical Analysis

	----- Percentage -----					
Net sales	100.0	100.0	100.0	100.0	100.0	100.0
Cost of sales	(94.4)	(92.7)	(87.8)	(77.1)	(83.2)	(92.6)
Gross profit	5.6	7.3	12.2	22.9	16.8	7.4
Administration, selling and distribution expenses	(2.9)	(2.4)	(3.0)	(2.9)	(3.0)	(3.3)
Other operating expenses	(0.6)	(0.1)	(0.5)	(3.0)	(0.9)	(2.6)
Other income	11.6	5.6	1.1	0.6	0.1	0.2
Operating profit/(loss) before financing cost	13.7	10.4	9.8	17.7	13.0	1.7
Finance cost	(8.8)	(9.8)	(7.8)	(3.4)	(2.8)	(5.9)
Profit/(Loss) before taxation	4.9	0.6	2.0	14.3	10.2	(4.2)
Taxation	(2.2)	(1.8)	(1.3)	(1.7)	(1.0)	(0.7)
Profit/(Loss) after taxation	2.7	(1.2)	0.7	12.7	9.2	(4.9)

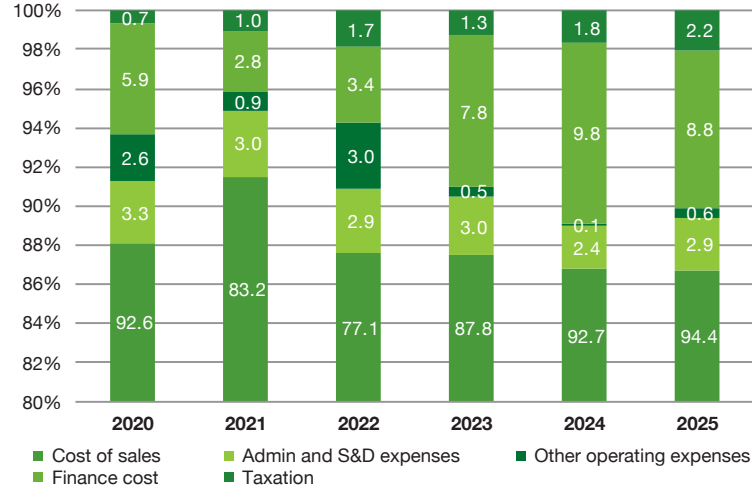
Horizontal Analysis

	----- Percentage -----					
Net sales	(10.0)	31.3	(0.6)	291.8	33.2	0.0
Cost of sales	(8.3)	38.5	13.3	262.9	19.6	2.1
Gross profit	(31.4)	(21.4)	(47.3)	434.8	202.4	(20.3)
Administration, selling and distribution expenses	9.3	3.4	3.4	273.1	23.2	1.4
Other operating expenses	314.5	(65.4)	(82.9)	1,176.8	(52.6)	565.4
Other income	85.6	557.9	84.9	2,255.6	(18.2)	83.3
Operating profit/(loss) before financing cost	18.1	39.9	(45.0)	434.3	901.7	(70.1)
Finance cost	(19.7)	66.3	129.4	366.0	(36.1)	40.9
Profit/(Loss) before taxation	632.1	(60.9)	(85.9)	453.3	(424.6)	(361.7)
Taxation	10.2	85.3	(23.6)	589.4	73.5	(34.7)
Profit/(Loss) after taxation	301.3	(312.7)	(94.2)	439.2	(350.5)	(1,128.1)

Vertical Analysis of Total Income %



Vertical Analysis of Expense %



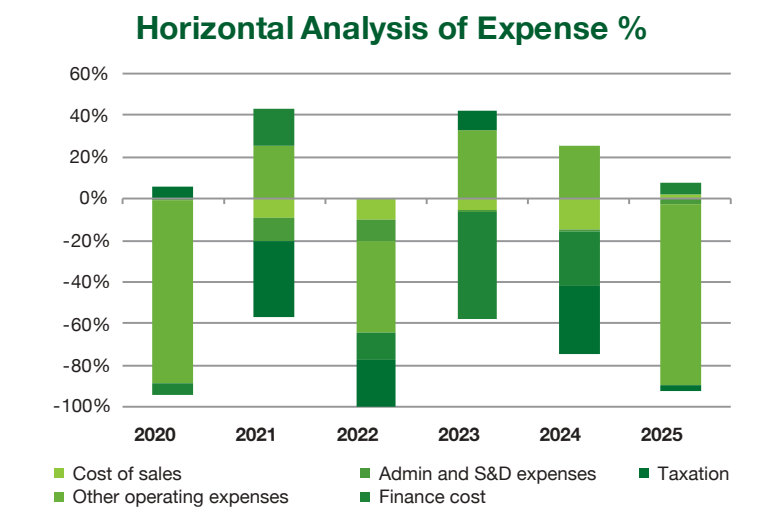
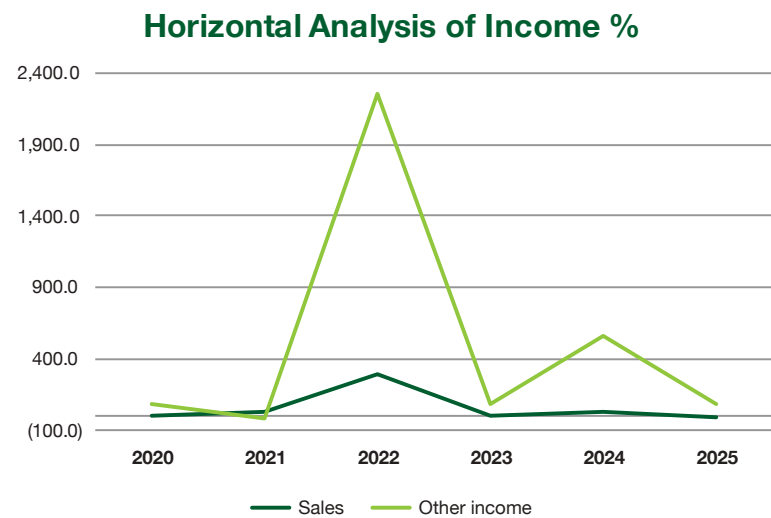
Vertical Analysis

Gross Profit

The gross profit decreased to Rs. 2.29 billion from Rs. 3.34 billion last year, because of consistent increase in energy cost, minimum wages and stores and spares impacted by inflationary factors. As a result, the gross profit margin decreased from 7.3% to 5.6% as compared to last year. Regardless of all the challenges, the management have put numerous efforts into achieving efficiencies and economies of scale.

Profit After Tax

Net profit after tax increased to Rs. 1,113 million from net loss after tax of Rs.553 million mainly impacted by drastic increase in other income from 5.6 % of sales to 11.6% of sales which is mainly attributed to dividend income from listed securities and unrealized gain on these investments as well as profit on term deposits during the year.



Horizontal Analysis

Sales & Cost of Sales

The Company remained focused on achieving sustainable growth through value creation. Sales maintained upward momentum over six years, largely supported by the merger and favorable market demand. However, current year sales revenue declined due to reduced sales volume, while pricing pressures arose from changes in EFS regulations and intensified global tariff competition. The cost of sales also decreased, recording an average decline of 8.3% from last year, primarily due to lower volumes.

Finance Cost

The finance cost decreased by 20% during the period, amounting to Rs. 3,610 million, mainly due to declining policy rates. However, working capital requirements remained elevated owing to inflationary pressures, the non-availability of local cotton for production needs, and increased reliance on imported raw materials.

Analysis of Cash Flows

	2025	2024	2023	2022	2021	2020
----- Rupees in million -----						
Net cash (used in)/generated from operating activities	(8,749)	237	(3,565)	832	1,527	(184)
Net cash (outflows)/inflows from investing activities	523	(722)	(2,216)	(3,401)	(304)	(256)
Net cash (outflows)/inflows from financing activities	6,373	927	(552)	1,174	471	(507)
Net (decrease)/increase in cash and cash equivalents	(1,853)	442	(6,333)	(1,395)	1,694	(947)

Vertical Analysis

	----- Percentage -----					
Net cash generated/(used in) from operating activities	472.2	53.6	56.3	(59.7)	90.1	19.4
Net cash inflows/(outflows) from investing activities	(28.2)	(163.4)	35.0	243.9	(17.9)	27.0
Net cash inflows/(outflows) from financing activities	(343.9)	209.7	8.7	(84.2)	27.9	53.6
Cash and cash equivalents	100.0	100.0	100.0	100.0	100.0	100.0

Horizontal Analysis

	----- Percentage -----					
Net cash (used in)/generated from operating activities	(3,791.6)	(106.7)	(528.5)	(45.5)	(929.8)	(65.5)
Net cash (outflows)/inflows from investing activities	(172.4)	(67.4)	(34.8)	1,018.9	18.7	66.2
Net cash (outflows)/inflows from financing activities	587.5	(267.9)	(147.0)	149.4	(192.9)	(162.1)
Net increase/(decrease) in cash and cash equivalents	(519.2)	(107.0)	354.1	(182.3)	(278.9)	(834.1)

Comments on Cash Flows

Cash Flows from Operating Activities

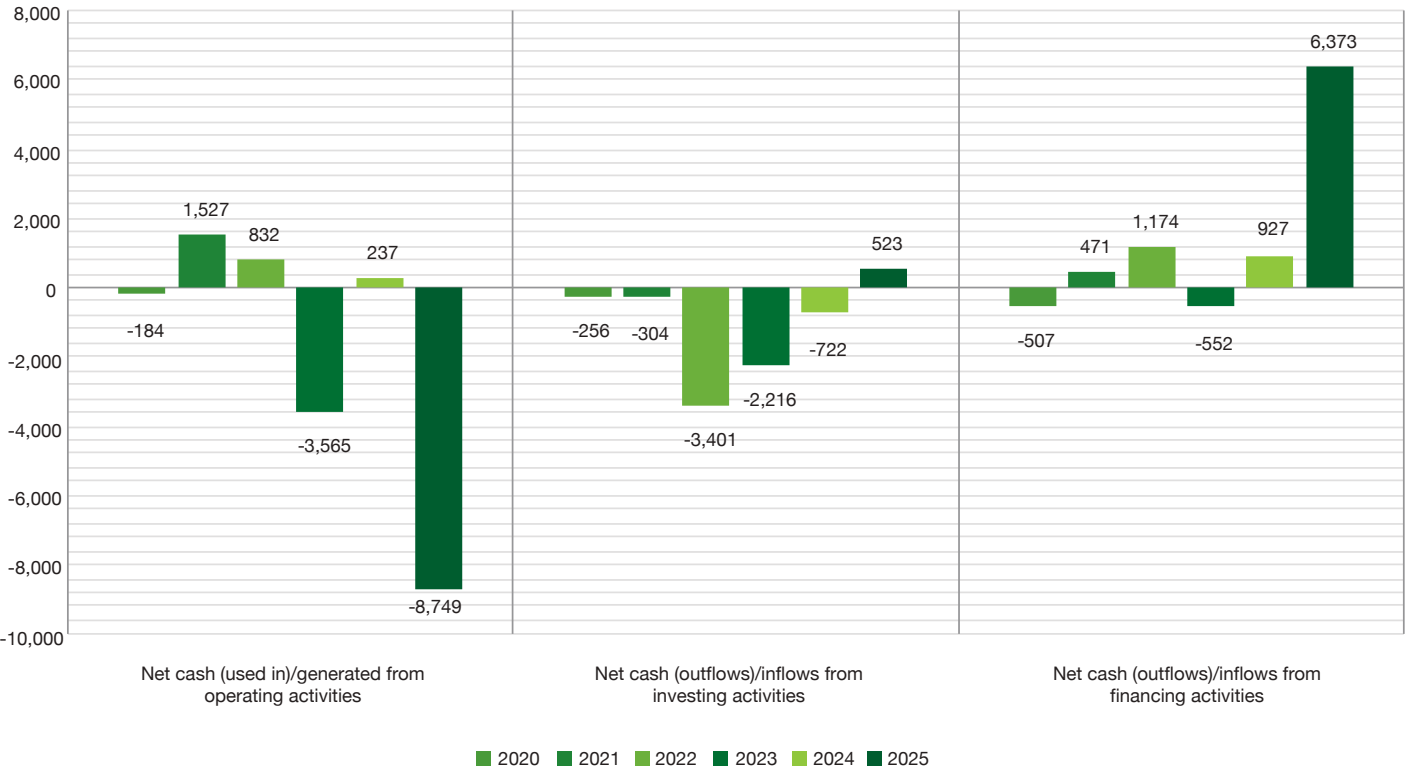
During the year, the Company reported net cash outflows of Rs. 8.75 billion after making payments of towards finance costs, provident fund, gratuity, and income taxes. The negative cash flow from operations was mainly attributable to working capital management challenges, with a considerable portion of cash being tied up in inventory and sales taxes.

Cash Flows from Investing Activities

Cash flows generated from investing activities amounted to Rs. 523 million in 2025, compared to Rs. -256 million in 2020. The major inflows were driven by proceeds from disposal of other financial assets and market treasury bills and dividends received. Net cash used in investing activities largely reflects expenditures on plant, machinery, and related civil works. The Company’s investment pattern during the year remained broadly consistent with the prior year.

Cash Flows from Financing Activities

The Company’s net cash flow from financing activities remained positive, primarily due to short-term borrowings to support growing business needs and the securing of term loan to finance significant CAPEX undertaken during the year.



Statement of Cash Flows - Direct Method

FOR THE YEAR ENDED JUNE 30, 2025

A. CASH FLOWS FROM OPERATING ACTIVITIES

- Cash Received from Customer
- Cash Paid to Suppliers, Employees and Others
- Finance cost paid
- Income taxes paid
- Defined benefit obligations paid
- Staff compensated absences paid
- Provident fund paid

Net cash (used in) / generated from operating activities

B. CASH FLOWS FROM INVESTING ACTIVITIES

- Purchase of property, plant and equipment
- Proceeds from disposal of property, plant and equipment
- Investment in market treasury bills
- Purchase of other financial assets
- Proceeds from disposal of market treasury bills
- Profit received on term deposits and saving accounts
- Proceeds from disposal of other financial assets
- Dividends received during the period
- Long term deposits

Net cash generated from / (used in) investing activities

C. CASH FLOWS FROM FINANCING ACTIVITIES

- Long term finance obtained
- Repayments of long term finance
- Short term borrowings obtained - net of payments
- Dividend paid

Net cash generated from financing activities

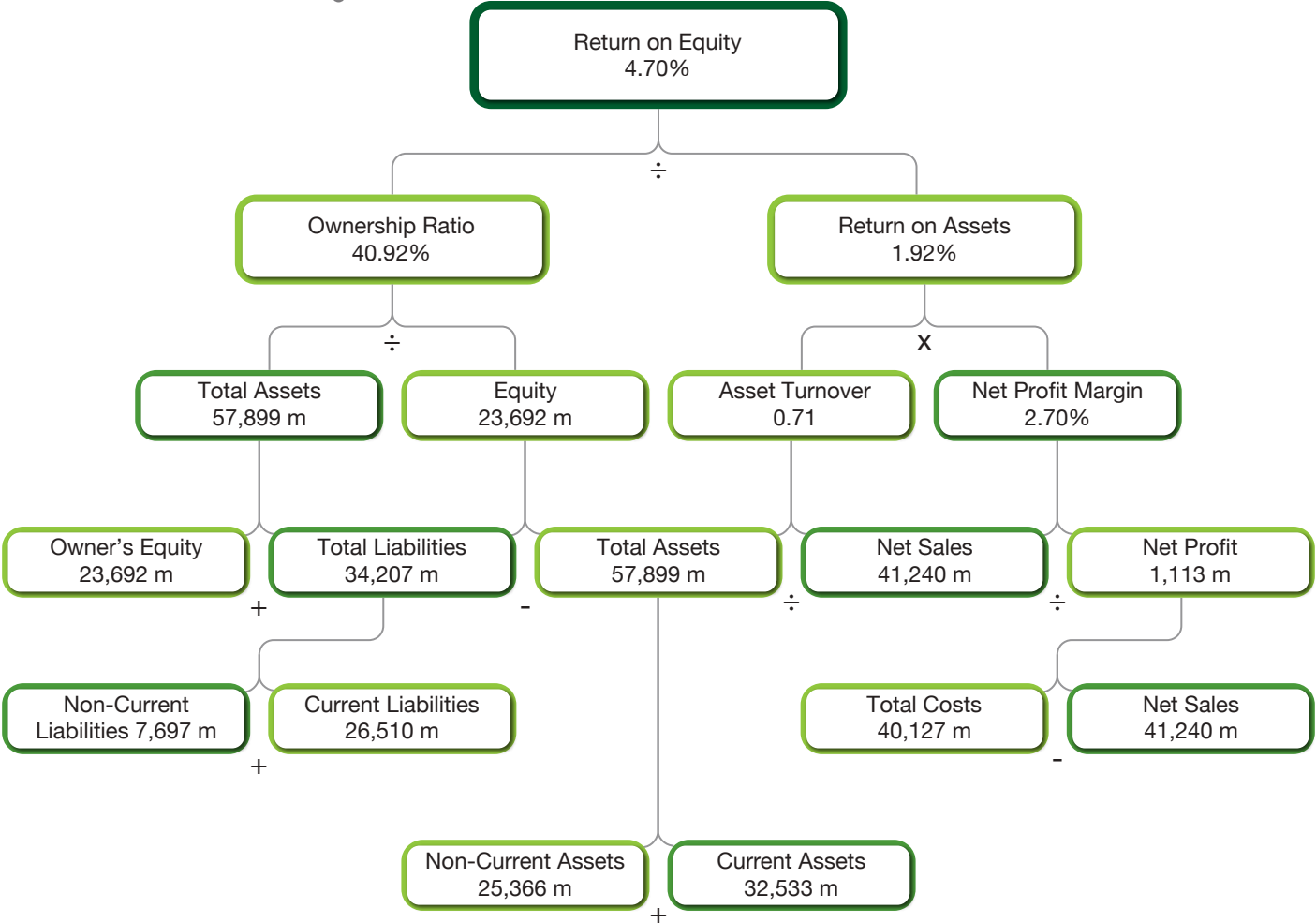
Net increase/(decrease) in cash and cash equivalents (A+B+C)

Cash and cash equivalents at beginning of the year

Cash and cash equivalents at end of the year

	June 30, 2025	June 30, 2024
----- (Rupees in '000) -----		
A. CASH FLOWS FROM OPERATING ACTIVITIES		
Cash Received from Customer	42,208,974	45,518,962
Cash Paid to Suppliers, Employees and Others	(45,930,217)	(40,242,500)
Finance cost paid	(3,895,701)	(4,508,265)
Income taxes paid	(947,322)	(333,494)
Defined benefit obligations paid	(85,839)	(117,417)
Staff compensated absences paid	(37,646)	(29,751)
Provident fund paid	(61,600)	(50,523)
Net cash (used in) / generated from operating activities	(8,749,351)	237,011
B. CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(1,044,253)	(830,397)
Proceeds from disposal of property, plant and equipment	297	29,036
Investment in market treasury bills	(19,999,597)	-
Purchase of other financial assets	(481,515)	(890,144)
Proceeds from disposal of market treasury bills	20,573,831	-
Profit received on term deposits and saving accounts	210,838	98,375
Proceeds from disposal of other financial assets	704,784	297,233
Dividends received during the period	558,538	574,028
Long term deposits	-	(131)
Net cash generated from / (used in) investing activities	522,923	(722,000)
C. CASH FLOWS FROM FINANCING ACTIVITIES		
Long term finance obtained	3,239,300	2,401,353
Repayments of long term finance	(1,357,157)	(784,703)
Short term borrowings obtained - net of payments	4,492,992	(524,420)
Dividend paid	(1,956)	(165,041)
Net cash generated from financing activities	6,373,179	927,189
Net increase/(decrease) in cash and cash equivalents (A+B+C)	(1,853,249)	442,201
Cash and cash equivalents at beginning of the year	(9,042,249)	(9,484,450)
Cash and cash equivalents at end of the year	(10,895,498)	(9,042,249)

DuPont Analysis



Years	Profit Margin (A)	Asset Turnover (B)	Equity Multiplier (C)	ROE (A*B*C)
2025	2.70%	0.71	2.44	4.70%
2024	-1.21%	1.03	2.12	-2.65%
2023	0.75%	0.75	2.19	1.23%
2022	12.65%	0.92	1.77	20.60%
2021	9.19%	0.98	1.83	16.53%
2020	-4.89%	0.78	2.08	-7.90%

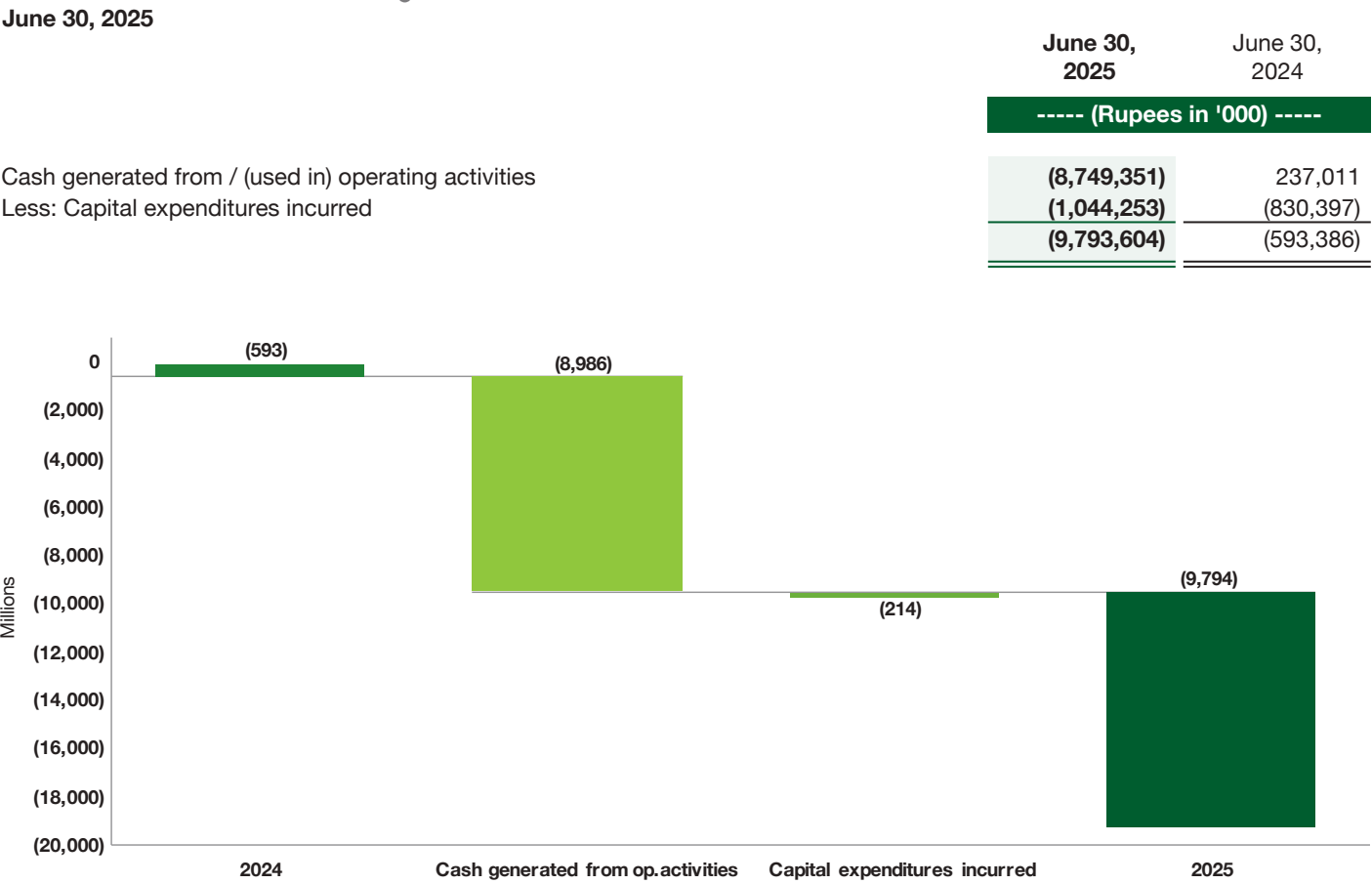
Commentary on DuPont Analysis

Net Sales decrease by 10% as sales volume decreased by 9% as compared to 31% increase recorded previous year. However, the company recorded profit due to increase in other income by 85.6% from previous year.

Elevated energy tariffs, high financing cost, increase in labour cost and overall affects of high input costs squeezed gross margins by 31%.

Further, the total assets of the Company increased by 30.4% as compared to last year. The Company’s asset base has strengthened this year primarily due to the modernization and upgrading of its manufacturing facilities and installation of solar power projects. Other than this, the increase is mainly attributable to increase in asset base on account of increase in stock in trade, short-term investment and sales taxes. This resulted in return on assets ratio of 1.92%.

Free Cash Flow



Comment:

Free cash flows resulted negative mainly due to operating cash outflows exceeding the inflows generated. Free cash flows have substantially decreased, primarily due to a increase in inventory and sales taxes compared to the previous year. Significant capital expenditures were directed towards solar energy projects and the acquisition of advanced plant and machinery. Additionally, increase in sales tax paid also affected the free cash flows.

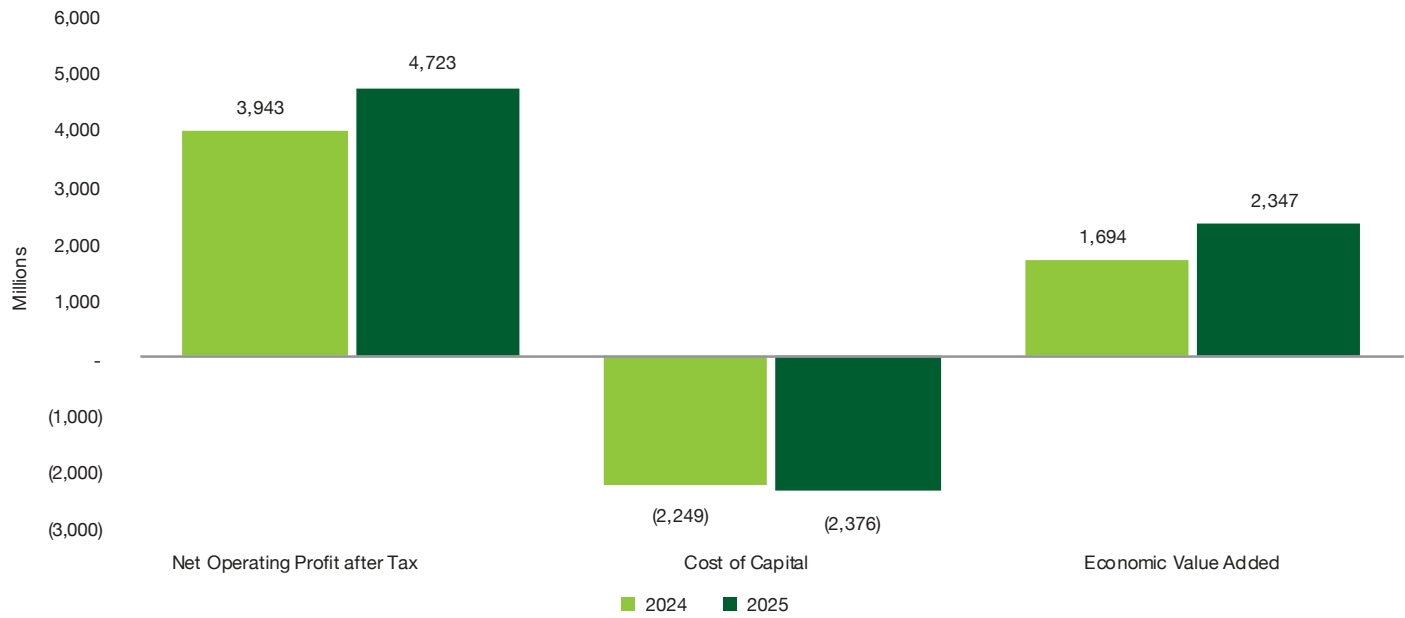
Economic Value Added

June 30, 2025

Net Operating Profit after Tax
Cost of Capital
Economic Value Added

Cost of Capital

Total Assets
Less: Current Liabilities
Invested Capital
WACC
Cost of Capital



Comment:

EVA is the relevant yardstick for measuring economic profits. Economic value addition has increased in comparison to last year, mainly on account of increase in net operating profits after tax. WACC has decreased mainly on account of decrease in borrowing rate and an increase in long term debt.

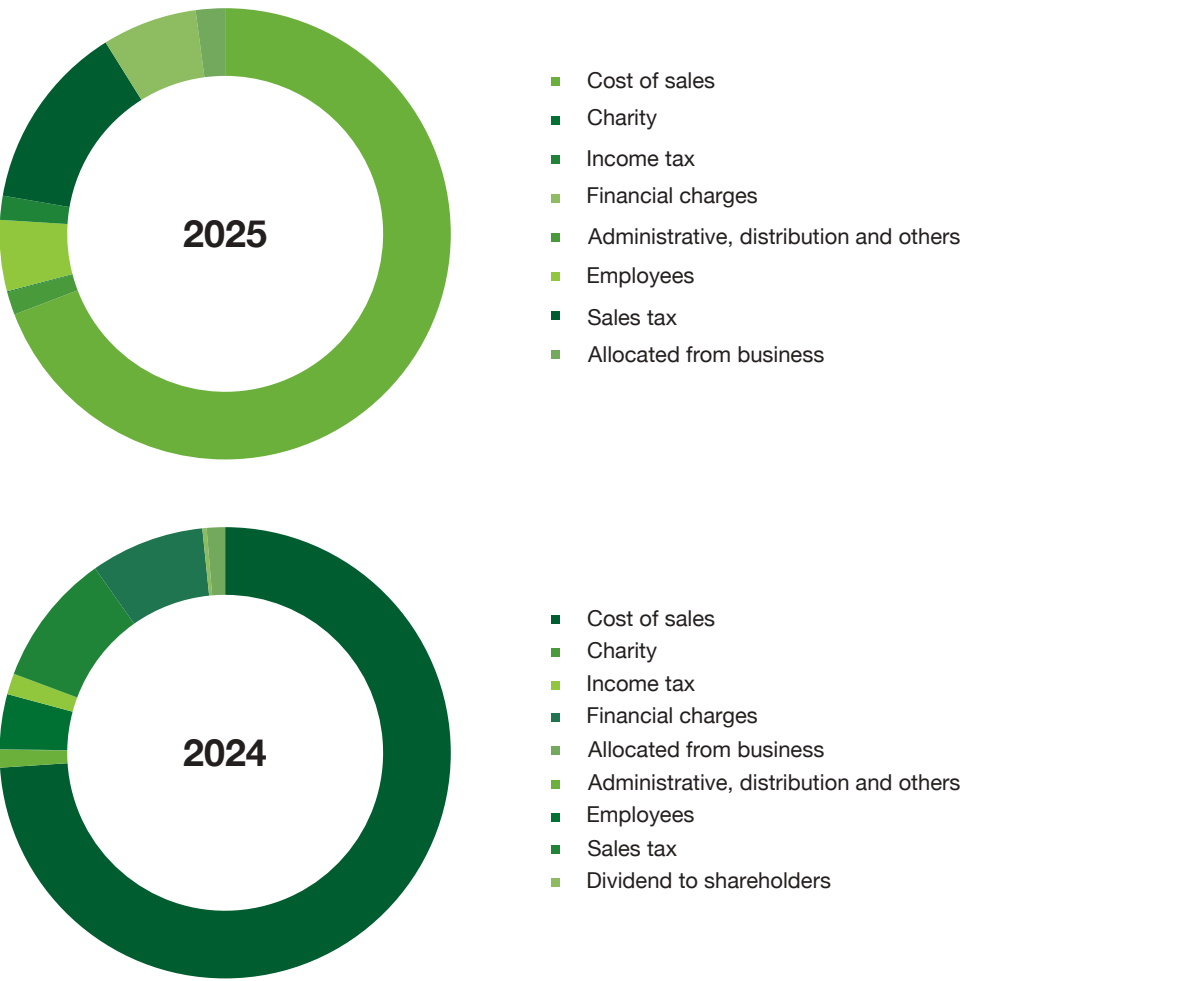
Statement of Value Additions and its Distribution

Wealth generated
Sales including sales tax
Other income

Wealth distribution

Cost of sales
Administrative, distribution and others
Charity
Employees
Income tax
Sales tax
Financial charges
Dividend to shareholders
Allocated from business

	June 30, 2025		June 30, 2024	
	Rupees in '000	%	Rupees in '000	%
Wealth generated				
Sales including sales tax	48,365,140	91.00%	51,073,167	95.19%
Other income	47,85,916	9.00%	2,578,686	4.81%
	53,151,056	100.00%	53,651,853	100.00%
Wealth distribution				
Cost of sales	36,769,850	69.18%	40,742,105	75.94%
Administrative, distribution and others	876,032	1.65%	701,391	1.31%
Charity	35,476	0.07%	19,878	0.04%
Employees	2,706,519	5.09%	2,165,944	4.04%
Income tax	914,927	1.72%	829,569	1.55%
Sales tax	7,125,210	13.41%	5,249,467	9.78%
Financial charges	3,609,892	6.79%	4,497,410	8.38%
Dividend to shareholders	-	0.00%	167,982	0.31%
Allocated from business	1,113,150	2.09%	(721,893)	-1.35%
	53,151,056	100.00%	53,651,853	100.00%



Share Price Sensitivity Analysis

Share prices depend on overall market performance, investor confidence in the economy, the overall fundamentals of the company and policies issued/imposed by Government and regulatory bodies. Being a responsible and law-compliant entity, the company circulates price sensitive information to the stock exchange in accordance with the requirements of listing regulations in a timely manner. The PSX demonstrated an upward trend during the end of current FY on account of decline in inflation, support through IMF program and tightening monetary policies having an impact on the investors' confidence.

The Company's share price was PKR 129.71 per share on June 30, 2025, as compared to PKR 63.59 per share on June 30, 2024. During the year the market price of share observed fluctuation from the lowest of PKR 34.05 per share on May 08, 2025, to highest of PKR 129.71 per share on June 30, 2025.

The Company's share price is sensitive to the following uncontrollable external factors:

Availability of Raw Material

The Company's performance is largely dependent upon the availability of raw materials, which is highly sensitive to seasonal fluctuations. Thus, any negative or positive change in the cotton availability and yield will affect the Company's performance and influence the share price.

Raw Material Cost Volatility

The production of yarn requires mainly cotton and fibers, which constitutes a significant portion of the Company's total annual expenditures. A rise in major input prices can cause a negative impact on margins, therefore lowering the EPS, which further lowers the share price.

Selling Price and Demand

Sales volume is driven by various factors including plant production capacities and demand & supply situation. An increase in demand of yarn may result in an increase in market price and will contribute towards better profitability and Earnings per share (EPS) which will ultimately increase the share price.

High Energy tariffs

One of the most crucial factors for the survival of the textile sector in the country is the availability of gas and electricity, shaping its performance. The disrupted supply of natural gas and electricity influences the entity to shift to costly alternatives like HFO generators, which directly affect the Company's financial position. High energy tariff of Natural gas, RLNG, and HFO as well as grid tariffs of transmission & distribution companies also impacted the Company's profitability.

Exchange Rate

The company generated 14% of its revenue from direct exports and imported 64% of its raw materials, through which the entity is exposed to exchange rate risk. Any favorable or unfavorable movement in exchange rates might affect the Company's profitability and hence, affect the share price. The Company has adopted effective strategies to minimize and hedge the risk of exchange rates.

Interest Rate

The Company's finance cost is 8.8% of the turnover, which has significantly affected the bottom line and liquidity position of the company. Any adverse interest rate movement will affect the Company's profitability and hence affect the share price.

Stock Market

A company's share price depends on overall market performance of PSX, investor confidence in the economy and particular sector and the overall fundamentals of the Company. Positive sentiments, news flows prevailing in the market may result in an appreciation of the share price of the Company.

Government Policies

The Company is exposed to Government regulations, tax regulations, policies including Export Facility schemes, which directly affect the Company's financial performance which in turn may affect the share price. Any change in Government policies related to the textile sector may substantially impact on the share price of the Company.

Political Instability

A favorable and consistent political system provides an ideal environment for companies to thrive. On the contrary, unstable law and order jeopardize business growth. Political instabilities, volatile government policies, strikes and protests, and hurdles in the supply chain affect the Company's sales. The stable political situation in the Country improves the overall business performance and investor confidence and encourages foreigners to deal with some of the prominent companies in the Country, which may have an impact on the Company's share price.

Agriculture

The agricultural sector serves as the backbone of Country's economy and employs the majority of the population either directly or indirectly in agriculture related activities therefore, the well-being of this sector is vital for the country's overall economic performance. Good environmental conditions for cotton crops, having required rainfalls, results in optimal quality of cotton at cheaper prices. The times when these factors are favorable, textile sector's sales boost due to the availability of quality cotton at cheaper rates which generate higher profit margins for producing various types of yarn which in turn positively affect the share price of the Company.

Investment in Shares

A company's share price depends on the overall market performance of PSX. TTML invested in shares of other listed entities, the value of its investment portfolio fluctuates with market conditions. If the prices of the invested shares increase, it enhances the company's asset base and financial strength, which in turn may positively influence its own share price. This linkage highlights how investment decisions and market performance collectively impact shareholder value

Sensitivity Analysis of Change in Market Capitalization

Share Price as of June 30, 2025	Rs. 129.71
Market Capitalization as of June 30, 2025	Rs. 7,262,931,672

Change in Share Price by	Change in Market Capitalization
+10%	Rs. 726,293,167
-10%	Rs. (726,293,167)

Month	Highest Rs.	Lowest Rs.	Closing Rs.	Volume traded during the month
Jul-24	64.00	59.00	59.64	6,637
Aug-24	62.00	50.51	51.14	47,350
Sep-24	59.70	48.11	54.00	49,567
Oct-24	54.99	45.01	46.00	81,194
Nov-24	52.51	42.50	49.99	188,177
Dec-24	63.80	47.11	49.75	221,987
Jan-25	54.00	46.00	50.06	74,147
Feb-25	52.00	43.10	43.22	1,305,176
Mar-25	45.40	41.12	43.31	125,673
Apr-25	46.20	38.56	39.05	339,204
May-25	53.98	34.05	53.98	1,117,875
Jun-25	129.71	55.01	129.71	12,053,614

Share Price Analysis

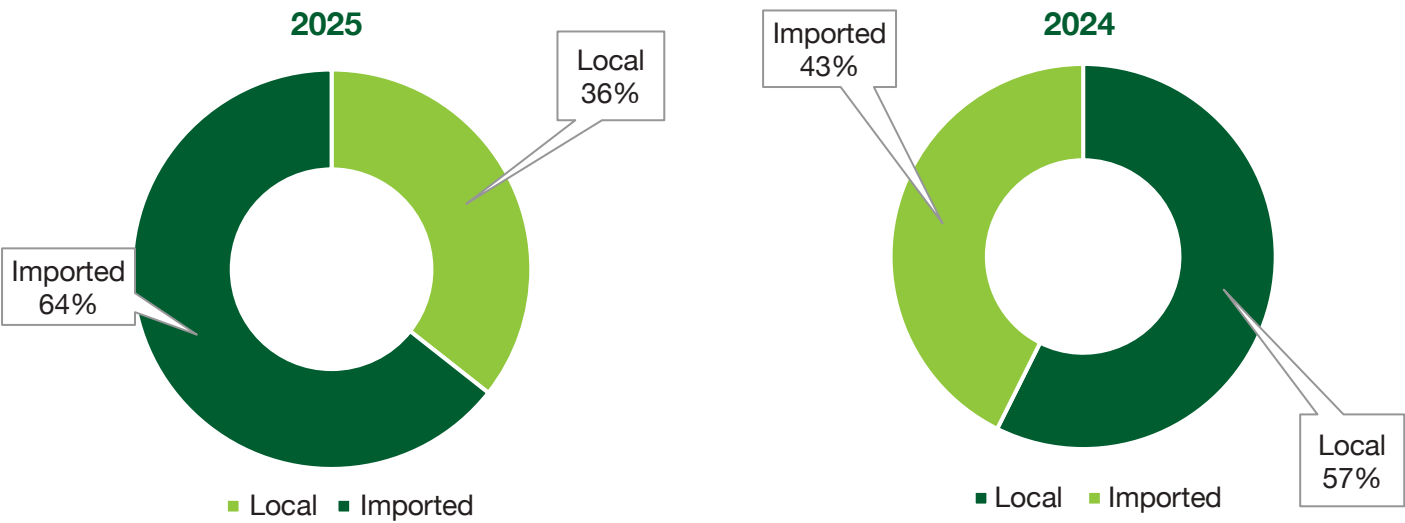


Composition of Local vs. Imported Material / Sensitivity Analysis

TTML is the Country's trusted manufacturer and supplier of quality yarn. The company's raw materials comprise of Cotton & fibers and packing materials. Imported raw material and local raw material represent 64% and 36% of Cost of Sales for the year ended June 30, 2025, and were 43% and 57% in the corresponding year, respectively. Considering impact of import on company, As at June 30, 2025, if the Pakistani Rupee had weakened /strengthened by 10% against the US Dollars with all variables held constant, profit or loss for the year would have been lower/ higher by Rs. 12 million (June 30, 2024: Rs.16 million), hence profitability of the company is sensitive to such fluctuation. This analysis assumes that all other variables, in particular, interest rates remain constant. Management takes necessary measures to mitigate such impacts as per Company's risk management policies.

The composition of the raw material procured during the fiscal year is stated as follows:

Year	2025		2024	
RAW MATERIAL	KG in '000'	Rs. in '000'	KG in '000'	Rs. in '000'
Local	23,891	11,585,402	35,852	17,543,062
Imported	43,178	21,724,308	26,646	13,207,128
Total	67,070	33,309,710	62,498	30,750,190



Major Capital Expenditures

With the aim of remaining competitive on the Local and global grounds, the Company rigorously invests in new technologically advanced machinery. The purpose of the investment is to reduce the cost of production by achieving operational excellence and serving customers better in terms of quality. This year, the Company incurred a CAPEX of Rs. 1,044 million, primarily directed towards upgrading existing machinery with modern, technologically advanced equipment.

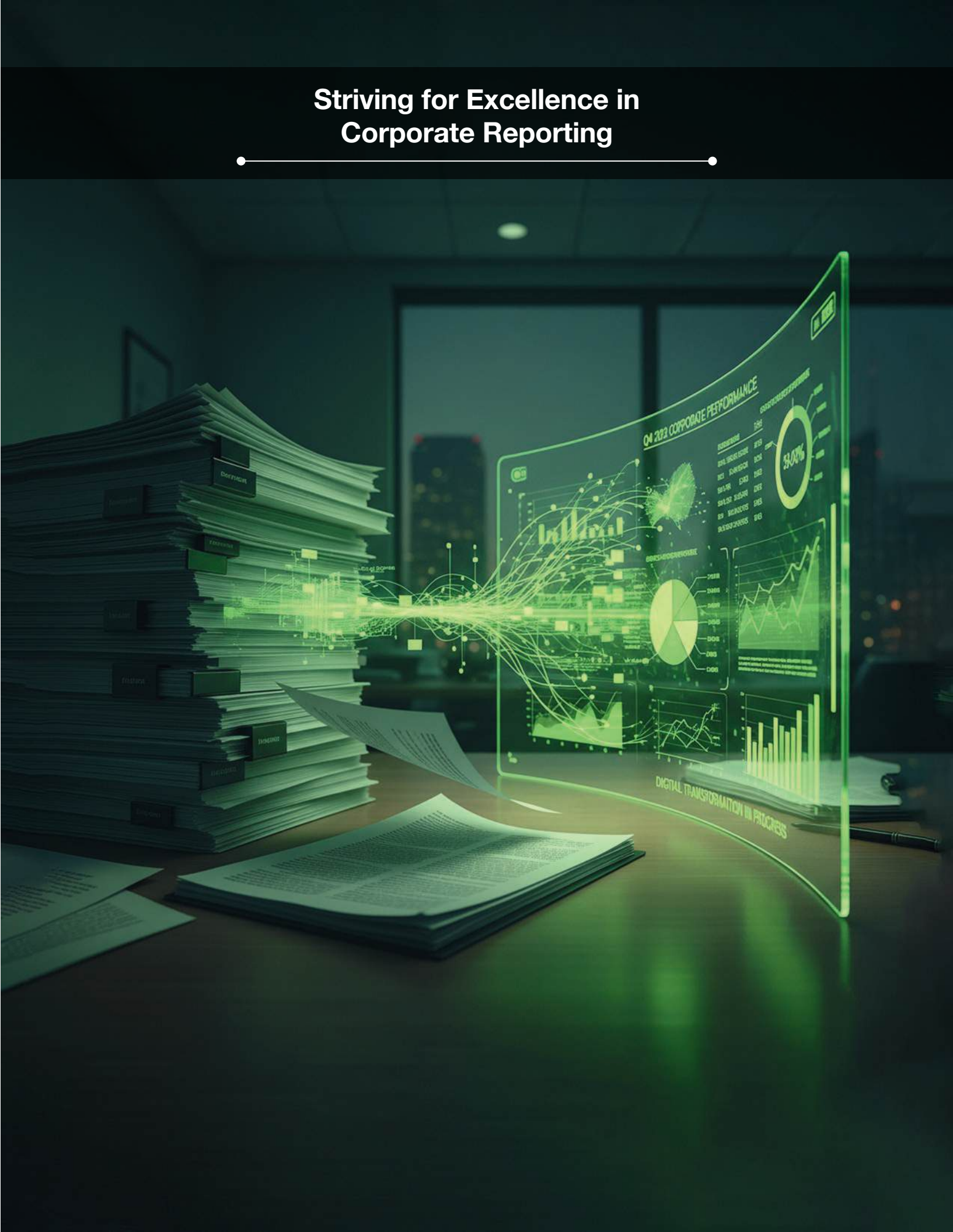
Disclosure of Market Share of the Company

The Company holds over four decades of experience in Pakistan's spinning industry, operating 127,092 spindles. The Company's prominence stands out in the spinning sector, despite the high level of competition. The market share of the Company cannot be determined accurately due to the unavailability of industry data.

CEO Presentation Video on the Company's Business

Video presentation by CEO briefing about the business overview, performance, strategy and outlook has been uploaded on the media section of the Company's website and can be viewed at www.tatapakistan.com/tata-textile-mills

Striving for Excellence in Corporate Reporting



Statement Of Unreserved Compliance of International Financial Reporting Standards (IFRS)

The Financial Statements of the Company have been prepared in accordance with the International Financial Reporting Standards issued by International Accounting Standards Board (IASB) as notified under the Companies Act, 2017. Further, there are certain standards and interpretations which are yet to be effective in Pakistan and certain standards not adopted by SECP, as disclosed in note 4.b of the financial statements. However, the management believes that these standards and interpretation do not have any material impact on the financial statements of the Company.

Adoption and Statement of Adherence with the International Integrated Reporting Framework (IIRF)

TTML is committed to creating value for the company and its stakeholders through a strategic approach. The company's core strength is its focus on economic, social, technological, and environmental factors, and their associated impacts, to achieve sustainable corporate value.

This report is designed to help stakeholders understand the company's operations by presenting information in a method that is clear and concise. By adopting the Integrated Reporting Framework, the company is bridging the gap between financial and non-financial information. This integration of business strategy insights with operational and non-financial data provides a more holistic view of the company's performance. The integration of financial, social, and environmental information is a powerful way to communicate the company's performance, activities, and the strategic importance of aligning sustainability considerations with business approaches to the market and society.

Management Approach

TTML is in the process towards adopting the International Integrated Reporting Framework (IIRF) and following the best corporate governance practices. The IIRF requires strong commitment from the company's management, who are ultimately responsible for communicating the company's message to its stakeholders. The framework also emphasizes the importance of connectivity of information, ensuring that all stakeholders have a clear understanding of the company's philosophy and attitude towards achieving enhanced stakeholder value and customer satisfaction.

Excellence in Integrated Reporting

The key objective of integrated reporting (IR) is to create a bridge between the guiding principles and content elements of an organization. This means that IR reports should provide a comprehensive overview of the organization's performance, taking into account both financial and non-financial factors. The content elements of IR have been briefly discussed in this report.

The Company aligns its Annual Report with the International Integrated Reporting (IIR) Framework to provide a comprehensive overview of its strategy, governance, performance, and prospects in the context of its external environment, and their contribution to value creation over the short, medium, and long term. The information disclosed herein has been mapped against the following elements of the IIR Framework:

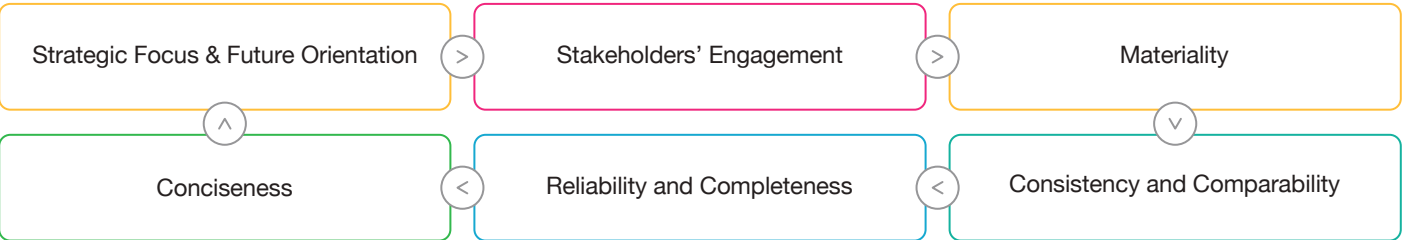
- a. Organizational overview and external environment
- b. Strategy and resource allocation
- c. Risks and opportunities
- d. Governance
- e. Performance and position
- f. Future outlook
- g. Stakeholder relationships and engagement
- h. Corporate Social Responsibility and Sustainability.

Application of the Integrated Reporting Framework

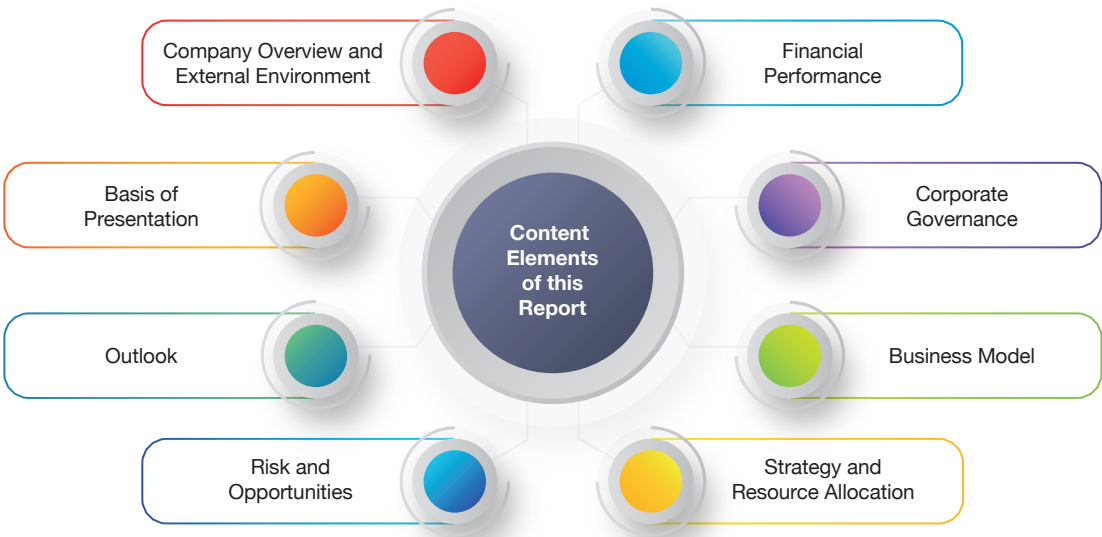
The company is compliant with the Integrated Reporting Framework (IRF) which is divided into two major segments:

- Guiding Principle of this Report
- Content Element of this Report

Guiding Principle of this Report



Content Elements of this Report



Disclosures Beyond BCR

The Company, in order to promote transparency in its dealings, has added certain additional information for its stakeholders, which is beyond the required criteria of BCR (checklist enclosed in this report). Details are as follows:

Product Line	United Nation SDGs
Awards and Achievements	Health and Safety Brief
Calendar of Notable Events	CEO's Message
Materiality Determination	

Best Corporate Report Awards 2025

Checklist 2025

BCR Ref #	Section & Task	Page Reference
1	Organizational Overview and External Environment	
1.01	Mission, vision, code of conduct, ethics and values.	10
1.02	Profile of the company including principal business activities, markets (local and international), key brands, products and services.	16
1.03	Geographical location and address of all business units including sales units and plants.	18
1.04	The legislative and regulatory environment in which the company operates.	32
1.05	Ownership, operating structure and relationship with group companies (i.e. subsidiary, associated undertaking etc.) and number of countries in which the organization operates.	16
1.06	Name and country of origin of the holding company/subsidiary company, if such companies are a foreign company.	N/A
1.07	Disclosure of beneficial (including indirect) ownership and flow chart of group shareholding and relationship as holding company, subsidiary company or associated undertaking.	N/A
1.08	Organization chart indicating functional and administrative reporting, presented with legends.	20
1.09	A general review of the performance of the company, including its subsidiaries, associates, divisions etc., for the year and major improvements from last year.	8, 15
1.10	Description of the performance of the various activities / product(s) / service(s) /segment(s) of the entity and its group entities during the period under review	15
1.11	Position of the reporting organization within the value chain showing connection with other businesses in the upstream and downstream value chain.	22
1.12	a. Explanation of significant factors effecting the external environment including political, economic, social, technological, environmental and legal environment that is likely to be faced in the short, medium and long term and the organization's response.	24
	b. The effect of seasonality on business in terms of production and sales.	26
1.13	The legitimate needs, interests of key stakeholders and industry trends.	27
1.14	SWOT Analysis of the company.	30
1.15	Competitive landscape and market positioning (considering factors such as the threat of new competition and substitute products or services, the bargaining power of customers and suppliers, relative strengths and weaknesses of competitors and customer demand and the intensity of competitive rivalry).	31
1.16	History of major events.	28
1.17	Details of significant events occurred during the year and after the reporting period.	33
2	Strategy and Resource Allocation	
2.01	Short, medium and long-term strategic objectives and strategies in place to achieve these objectives.	36

BCR Ref #	Section & Task	Page Reference
2.02	Resource allocation plans to implement the strategy. Resource mean ‘Capitals’ including: a. Financial Capital; b. Human Capital; c. Manufactured Capital; d. Intellectual Capital; e. Social and Relationship Capital; and f. Natural Capital.	36
2.03	The capabilities and resources of the company that provide sustainable competitive advantage, resulting in value creation by the company.	38
2.04	Company’s strategy on market development, product and service development.	
2.05	The effects of the given factors on company strategy and resource allocation: a) Technological changes b) Sustainability reporting and challenges, c) Initiatives taken by the company in promoting and enabling innovation, d) Resource shortages (if any).	
2.06	Key performance indicators (KPIs) to measure the achievement against strategic objectives including statement as to whether the indicators used will continue to be relevant in the future.	37-38
2.07	The linkage of strategic objectives with company’s overall mission, vision and objectives.	39
2.08	Board’s statement on the internal controls including IT controls of the company.	
2.09	Board’s statement on the significant plans and decisions such as corporate restructuring, business expansion, major capital expenditure or discontinuance of operations.	
2.1	a. Information about defaults in payment of any debts with reasons and its repayment plans. b. Board strategy to overcome liquidity problem and plans to meet operational losses.	91-93
3	Risks and Opportunities	
3.01	Key risks and opportunities (internal and external), including Sustainability-related risks and opportunities affecting availability, quality and affordability of Capitals.	94-99
3.02	Company’s robust assessment of the principal risks and uncertainties being faced, including those that would threaten the business model, future performance and solvency or liquidity. This may include operational risk, IT risk, regulatory risk, legal risk, political risk, strategic risk, and credit risk etc.	94-99
3.03	Risk Management Framework covering principal risk and uncertainties facing by the company, risk methodology, risk appetite and risk reporting.	
3.04	Specific steps being taken to mitigate or manage key risks or to create value from key opportunities by identifying the associated strategic objectives, strategies, plans, policies, targets and KPIs.	100
3.05	Disclosure of a risk of supply chain disruption due to an environmental, social or governance incident and company’s strategy for monitoring and mitigating these risks (if any).	
4	Sustainability Disclosures & Corporate Social Responsibility (CSR)	

BCR Ref #	Section & Task	Page Reference
4.01	<p>Disclosure of the role of the Board to address the company's sustainability risks and opportunities, as required under the recent amendments of the SECP 'Listed Companies (Code of Corporate Governance) Regulations, 2019, SECP SRO 920/2024 dated June 12, 2024 for the following:</p> <p>a. Disclosures of company specific sustainability-related risks and opportunities (climaterelated risks and opportunities) and their impact on the financial performance in the short, medium and long term and how these are managed or mitigated;</p> <p>b. Disclosures about four-pillars core content (Governance, Strategy, Risk Management and Metrics and Targets), together with the specific metrics designed by the company to demonstrate the performance and progress of the company.</p> <p>c. Disclosure of company's sustainability and DE&I related strategies, priorities and targets, the measures taken to promote in the company as well as performance against these targets are periodically reviewed and monitored.</p> <p>d. Boards are encouraged to adopt of the SECP's ESG Disclosure Guidelines (https://www.secp.gov.pk/document/secp-esg-disclosure-guidelines-for-listed-companies/).</p>	<p>102</p> <p>124-125</p> <p>123</p> <p>125</p> <p>103</p>
4.02	<p>Highlights of the company's performance, policies, initiatives and plans in place relating to the various aspects of sustainability.</p> <ul style="list-style-type: none"> Social initiatives - financial inclusion, research and development, employment generation, community health and education, and health and safety of staff etc.; Environmental initiatives - climate change mitigation etc. by focusing on 3R's (Reduce, Reuse & Recycle), how does the company reduce pollution, depletion and degradation of natural resources; and indirect like investment/financing in green /sustainable project. Technological innovation - use of advanced technology, innovative ideas leading to sustainability practices like energy-efficient processes or eco-friendly product designs; Information on consumption and management of materials, energy, water, emissions and waste. 	104-122
4.03	<p>a. Has the board established a dedicated sustainability committee, having at least one female director, or assign additional responsibilities to an existing board committee.</p> <p>b. Has the committee submitted to the board a report, at least once a year, on embedding sustainability principles into the organization's strategy and operations to increase corporate value.</p>	102
4.04	Board's statement for the adoption of CSR best practices including Board's commitment to promote CSR and how the company's sustainable practices can affect the financial performance of the company.	103
4.05	Highlights of the company's performance, policies, initiatives for CSR.	118-119
5	Governance	
5.01	<p>Board composition:</p> <p>a. Leadership structure of those charged with governance.</p> <p>b. Name of independent directors indicating justification for their independence.</p> <p>c. Diversity in the board i.e. competencies, requisite knowledge & skills, and experience.</p> <p>d. Profile of each director including education, experience and engagement of in other entities as CEO, Director, CFO or Trustee etc.</p> <p>e. No. of companies in which the executive director of the reporting organization is serving as non-executive director.</p>	58-61, 68-69
5.02	A brief description about role of the Chairman and the CEO.	71

BCR Ref #	Section & Task	Page Reference
5.03	A statement of how the board operates, including a high-level statement of which types of decisions are to be taken by the board and which are to be delegated to management.	69
5.04	<p>Chairman's Review Report on the overall performance of the board including:</p> <p>a. Effectiveness of the role played by the board in achieving the company's objectives;</p> <p>b. Chairman's significant commitments, such as strategic, financial, CSR and ESG etc., and any changes thereto from last year';</p> <p>c. Board statement on the company's structure, processes and outcomes of internal control system and whether board has reviewed the adequacy of the system of internal control.</p>	54-55
5.05	Board statement of its commitment to establish high level of ethics and compliance in the company.	67, 72
5.06	Annual evaluation of performance, along with description of criteria used for the members of the board including CEO, Chairman and board's committees.	70
5.07	Disclosure if the board's performance evaluation is carried out by an external consultant once in three years.	
5.08	Details of formal orientation courses for directors.	
5.09	Directors' Training Program (DTP) attended by directors, female executive and head of department from the institutes approved by the SECP and names of those who availed exemptions during the year.	
5.10	Description of external oversight of various functions like systems audit or internal audit by an external specialist and other measures taken to enhance credibility of internal controls and systems.	75
5.11	<p>Disclosure about related party transactions:</p> <p>a. Approved policy for related party transactions.</p> <p>b. Details of all related parties transactions, along with the basis of relationship describing common directorship and percentage of shareholding.</p> <p>c. Contract or arrangement with the related party other than in the ordinary course of business on an arm's length basis, if any along with the justification for entering into such contract or arrangement.</p> <p>d. Disclosure of director's interest in related party transactions.</p> <p>e. In case of conflict, disclosure of how conflicts are managed and monitored by the board.</p>	
5.12	<p>Disclosure of Board's Policy on the following significant matters:</p> <p>a. Risk Management and internal control policies.</p> <p>b. Diversity (including gender), any measurable objectives that it has set for implementing the policy, and progress on achieving the objectives.</p> <p>c. Remuneration of non-executive directors including independent directors for attending board meetings and general meetings.</p> <p>d. Retention of board fee by the executive director earned by him against his services as non-executive director in other companies.</p> <p>e. Security clearance of foreign directors.</p> <p>f. Board meetings held outside Pakistan.</p> <p>g. Human resource management including:•Preparation of succession plan;•Merit based recruitment;•Performance based appraisal system;•Promotion, reward and motivation;•Training and development;•Diversity, Equity & Inclusion (DE&I) policy; and•Employee engagement /feedback.</p> <p>h. Social and environmental responsibility including managing and reporting policies like procurement, waste and emissions.</p> <p>i. Communication with stakeholders.</p> <p>j. Dividend policy.</p>	<p>75</p> <p>76</p> <p>75</p> <p>76</p> <p>77</p> <p>77</p> <p>76</p> <p>77</p> <p>77</p> <p>77</p>

BCR Ref #	Section & Task	Page Reference
	k. Investors' relationship and grievances. l. Employee health, safety and protection. m. Whistle blowing policy. n. Anti-harassment policy to safeguard the rights and well-being of employees o. Safety of records of the company.	77 78 78 78 78
5.13	Board statement of the organization's business continuity plan or disaster recovery plan.	78
5.14	Compliance with the Best Practices of Code of Corporate Governance (No marks in case of any non-compliance).	72
5.15	Disclosure about: a. Shares held by Sponsors / Directors / Executives; b. Distribution of shareholders (Number of shares as well as category, e.g. Promoter, Directors/Executives or close family member of Directors/Executives etc.) or foreign shareholding (if any).	228-231
5.16	Details about Board meetings and its attendance.	87
5.17	TORs, composition and meeting attendance of the board committees including (Audit, Human Resource, Nomination and Risk management).	84-86
5.18	Timely Communication: Date of authorization of financial statements by the board of directors: Within 40 days - 6 marks Within 50 days - 6 marks (in case of holding company who has listed subsidiary /subsidiaries) Within 60 days - 3 marks (Entities requiring approval from a Regulator before finalization of their financial statements would be provided a 20 days relaxation, on providing evidence to the Committee).	72
5.19	Audit Committee report should describe the work of the committee in discharging its responsibilities. The report should include: a. Composition of the committee with at least one member qualified as "financially literate" and all members are non-executive / Independent directors including the Chairman of the Audit Committee. b. Committee's overall role in discharging its responsibilities for the significant issues related to the financial statements, and how these issues were addressed. c. Committee's overall approach to risk management and internal control, and its processes, outcomes and disclosure. d. Role of Internal Audit in risk management and internal control, and approach to Internal Audit to have direct access to Audit Committee and evaluation of Internal Auditor's performance. e. Review of arrangement for staff and management to report to Audit Committee in confidence, concerns, if any, about actual or potential improprieties in financial and other matters and recommended instituting remedial and mitigating measures. f. An explanation as to how it has assessed the effectiveness of the external audit process and the approach taken to the appointment or reappointment of the external auditor,; and if the external auditor provides non-audit services, an explanation as to how auditor's objectivity and independence is safeguarded. g. If Audit Committee recommends external auditors other than the retiring external auditors, before the lapse of three consecutive years, reasons shall be reported. h. The Audit Committee's views whether the Annual Report was fair, balanced and understandable and also whether it provided the necessary information to shareholders to assess the company's position and performance, business model and strategy. i. Results of the self-evaluation of the Audit Committee carried out of its own performance. j. Disclosure of the number of whistle-blowing incidences reported to the Audit Committee during the year.	80-83

BCR Ref #	Section & Task	Page Reference
5.20	Presence of the chairman of the Audit Committee at the AGM to answer questions on the Audit Committee's activities / matters that are within the scope of the Audit Committee's responsibilities.	73
5.21	Board disclosure on Company's use of Enterprise Resource Planning (ERP) software including: a. how it is designed to manage and integrate the functions of core business processes/ modules like finance, HR, supply chain and inventory management in a single system; b. management support in the effective implementation and continuous updation; c. details about user training of ERP software; d. how the company manages risks or control risk factors on ERP projects; e. how the company assesses system security, access to sensitive data and segregation of duties.	79
5.22	Disclosure about the Government of Pakistan policies related to company's business/sector in Directors' Report and their impact on the company business and performance.	46-53
5.23	Information on company's contribution to the national exchequer (in terms of payment of duties, taxes and levies) and to the economy (measured in terms of GDP contribution, new jobs creation, increase in exports, contributions to society & environment and community development etc.)	52
6	Analysis of the Financial Information	
6.01	Analysis of the financial and non-financial performance using both qualitative and quantitative indicators showing linkage between: a. Past and current performance; b. Performance against targets /budget; and The analysis should cover significant deviations from previous year in operating results and the reasons for loss, if incurred as well as future prospects of profits.	134-137
6.02	a. Analysis of financial ratios (Annexure I) with graphical presentation and disclosure of methods and assumptions used in compiling the indicators. b. Explanation of negative change in the performance as compared to last year.	146
6.03	Vertical and horizontal analysis of Balance Sheet, Profit and Loss Account and summary of Cash Flow Statement for last 6 years. Weightage to be given to graphical presentation.	146-156
6.04	Cash Flow Statement based on Direct Method (separate Cash Flow for specific funds e.g. Zakat).	157
6.05	a. Information about business segment and non-business segment; and b. Segmental analysis of business performance including segment revenue, segment results, profit before tax, segment assets and liabilities.	194
6.06	Disclosure of market share of the company and share price sensitivity analysis.	164
6.07	Statement of value added and its distribution with graphical presentation: a. Employees as remuneration; b. Government as taxes (separately direct and indirect); c. Shareholders as dividends; d. Providers of financial capital as financial charges; e. Society as donation; and f. Retained within the business.	161

BCR Ref #	Section & Task	Page Reference
6.08	Statement of Economic value added (EVA) [EVA = NOPAT – WACC x TC, where NOPAT is Net Operating Profit After Tax, WACC is Weighted Average Cost of Capital, and TC is Total Invested Capital].	160
6.09	CEO presentation video on the company's business performance of the year covering the company business strategy to improve and future outlook. (Please provide relevant webpage link of the video in the company's annual report).	164
7	Business Model	
7.01	Describe the business model including inputs, business activities, outputs and outcomes as per International applicable Framework.	40-41
7.02	Explanation of any material changes in the entity's business model during the year.	
8	Disclosures on IT Governance and Cybersecurity	
8.01	The Board responsibility statement on the IT system/ controls and AI strategy of the company including compliance of legal and regulatory requirements regarding data privacy and cyber security and how the board is engaging with management in case of any breaches.	88-90
8.02	Disclosure related to IT governance and cybersecurity programs, policies and procedures and industry specific requirements for cybersecurity and strategy in place.	
8.03	Disclosure that at least one board-level committee is charged with oversight of IT governance and cybersecurity matters and how the board administers its IT risk oversight function related to these risks.	
8.04	Disclosure about Company's controls and procedures about an "early warning system" that enables the company to identify, assess, address, make timely disclosures and timely communications to the board about cybersecurity risks and incidents.	
8.05	Disclosure of policy related to independent comprehensive security assessment of technology environment, including third party risks and when last such review was carried out.	
8.06	Disclosure about resilient contingency and disaster recovery plan in terms of dealing with a possible IT failure or cyber breach and details about company's cyber insurance.	
8.07	Disclosure of advancement in digital transformation on how the organization has leveraged 4.0 Industrial revolution (Artificial Intelligence (AI), RPA, Data Analytics, Block Chain, Cloud Computing etc.) to improve transparency and governance, value creation and reporting.	
8.08	Disclosure about education and training efforts of the Company to mitigate cybersecurity risks.	
9	Future Outlook	
9.01	Forward-looking statement in narrative and quantitative form including projections or forecasts about known trends and uncertainties that could affect the company's resources, revenues and operations in the short, medium and long term.	40-43
9.02	Status of the projects in progress and those disclosed in the forward-looking statement in the previous year and whether the performance of the company is aligned with the forward looking statement.	43

BCR Ref #	Section & Task	Page Reference
9.03	Disclosures about the company's future plans for AI adoption and its potential impact on the company's long-term strategy.	43
9.04	Disclosure about company's future Research & Development initiatives.	
9.05	Sources of information and assumptions used for projections / forecasts in the forward-looking statement and assistance taken by any external consultant.	44
10	Stakeholders Relationship and Engagement	
10.01	Stakeholders engagement policy of the company and how the company has identified its stakeholders.	128-129
10.02	Stakeholders' engagement process and the frequency of such engagements during the year. Explanation on how these relationships are likely to affect the performance and value of the company, and how those relationships are managed. These engagements may be with: a. Institutional investors; b. Customers & suppliers; c. Banks and other lenders; d. Media; e. Regulators; f. Local committees; and g. Analysts.	128-130
10.03	Steps taken by the management to encourage the minority shareholders to attend the general meetings.	128
10.04	Investors' Relations section on the corporate website with all relevant information including audited annual reports are available in the section.	
10.05	Issues raised in the last AGM, decisions taken and their implementation status.	
10.06	a. Steps board has taken to solicit and understand the views of stakeholders through corporate briefing sessions; and b. disclosure of brief summary of Corporate Analyst briefing conducted during the year.	
10.07	Highlights about redressal of investors' complaints including number of complaints received and resolved during the year.	161
10.08	Details about corporate benefits to shareholders like value appreciation, dividend etc.	
10.09	Disclosure of whistle blowing mechanism to receive and handle complains in a fair and transparent manner, and provide protection to the complainant against victimization and reporting in the Audit Committee's report.	78, 128
11	Striving for Excellence in Corporate Reporting	
11.01	Board's responsibility statement on full compliance of financial accounting and reporting standards as applicable in Pakistan (i.e. International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board (IASB)).	166-167
11.02	BCR criteria cross referred with page numbers of the annual report. (details can be maintained by companies on the Investor Relation section of the company's website).	168-177

BCR Ref #	Section & Task	Page Reference
12	Specific Disclosures of the Financial Statements	
12.01	Specific disclosures of the financial statements required under the Companies Act, 2017 and IFRSs (Annexure II).	Refer end
13	Assessment based on Qualitative Factors	
13.01	Assessment of overall quality of information contained in the annual report based on the following qualitative factors: a. Clarity, simplicity and lucidity in presentation of Financial Statements. b. Theme on the cover page. c. Effective use of presentation tools, particularly, diagrams, graphs, charts, smart arts, icons, tables and infographics in the annual report. d. Effectiveness and relevance of photos and graphs e. Effectiveness of the theme on the cover page.	Overall report
	Annexure I - Financial Ratios (refer section 6 of the criteria) Non-Financial Sector Profitability Ratios a. Gross Profit ratio b. Net Profit to Sales c. EBITDA Margin to Sales d. Operating leverage ratio e. Return on Equity f. Return on Capital employed g. Shareholders' Funds h. Return on Shareholders' Funds i. Return on Investment j. Total Shareholder Return	139-140
	Liquidity Ratios a. Current ratio b. Quick / Acid test ratio c. Cash to Current Liabilities d. Cash flow from operations to Sales e. Cash flow to capital expenditures f. Cash flow coverage ratio	
	Investment /Market Ratios a. Earnings per Share (EPS) and diluted EPS b. Price Earnings ratio c. Price to Book ratio d. Dividend Yield ratio e. Dividend Payout ratio / Dividend Cover Ratio f. Cash Dividend per share / Stock Dividend per share g. Market value per share at the year end and high/low during the year h. Breakup value per share i. Without Surplus on Revaluation of property, plant and equipment. ii. With Surplus on Revaluation of Property plant and equipment including the effect of all Investments. iii. Including Investment in Related Party at fair /market value and also with Surplus on Revaluation of property plant and equipment. i. DuPont Analysis j. Free Cash Flow k. Economic Value Added (EVA)	139-140 158 159 160

BCR Ref #	Section & Task	Page Reference
	Capital Structure a. Financial leverage ratio b. Weighted average cost of debt c. Debt to Equity ratio (as per book and as per market value) d. Net assets per share e. Interest Cover / Time Interest earned ratio	
	Activity / Turnover Ratios a. Total Assets turnover ratio b. Fixed Assets turnover ratio c. No. of Days in Inventory d. No. of Days in Receivables e. No. of Days in Payables f. Operating cycle	139-140
	Non-Financial Ratios a. % of Plant Availability b. Customer Satisfaction Index c. Production per Employee (for manufacturing)/ Employee Productivity Rate (for service industry) d. Revenue per Employee e. Staff turnover ratio f. Spares Inventory as % of Assets Cost g. Maintenance Cost as % of Operating Expenses h. Customer Retention Ratio	
	Annexure II - Specific Disclosures of the Financial Statements (refer section 12 of the criteria)	
1	Fair value of Property, Plant and Equipment.	197
2	Particulars of significant/ material assets and immovable property including location and area of land.	187
3	Capacity of an industrial unit, actual production and the reasons for shortfall.	217
4	Specific disclosures required for shariah compliant companies/ companies listed on the Islamic Indices as required under clause 10 of the Fourth Schedule of the Companies Act, 2017.	N/A
5	Disclosure requirements for common control transactions as specified under the Accounting Standard on 'Accounting for common control transactions' developed by ICAP and notified by SECP (through SECP S.R.O. 53 (I)/2022 dated January 12, 2022)	N/A
6	Disclosure about Human Resource Accounting (includes the disclosure of process of identifying and measuring the cost incurred by the company to recruit, select, hire, train, develop, allocate, conserve, reward and utilize human assets).	N/A
7	Where any property or asset acquired with the funds of the company and is not held in the name of the company or is not in the possession and control of the company, this fact along with reasons for the property or asset not being in the name of or possession or control of the company shall be stated; and the description and value of the property or asset, the person in whose name and possession or control it is held shall be disclosed.	N/A

INDEPENDENT AUDITOR’S REVIEW REPORT
TO THE MEMBERS OF TATA TEXTILE MILLS LIMITED

Report on the Audit of the Financial Statements

Opinion

We have audited the annexed financial statements of **Tata Textile Mills Limited** (the Company), which comprise the statement of financial position as at June 30, 2025, and the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of material accounting policy information and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at June 30, 2025 and of the profit , other comprehensive loss, the changes in equity and its cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants’ Code of Ethics for Professional Accountants as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matter

Key audit matter is the matter that, in our professional judgment, was of most significance in our audit of the financial statements of the current period. This matter was addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on this matter.

Following is the key audit matter:

Key Audit Matter	How Our Audit Addressed The Key Audit Matter
<p>1. Revenue Recognition</p> <p>The Company is engaged in manufacturing and sale of yarn. Revenue recognition policy has been explained in note 5.18 and the related amounts of revenue recognized during the year are disclosed in note 24 to the financial statements.</p> <p>The Company generates revenue from sale of goods to domestic as well as export customers.</p> <p>Revenue from the local (including indirect exports) and export sales is recognized when control of goods is transferred to the customer.</p> <p>We identified revenue recognition as a key audit matter because it is a significant performance indicator for the Company and there is a risk that revenue may not have been recorded at the correct point in time—i.e., upon dispatch of goods from the mills for local sales and upon handover to the shipping company for export sales—in accordance with the Company’s accounting policy. This raises the risk that revenue could be recognized in the wrong accounting period.</p>	<p>Our key audit procedures to assess the recognition of revenue, amongst others, included the following:</p> <ul style="list-style-type: none">obtained understanding and evaluate design and implementation of controls designed to ensure that revenue is recognized in the appropriate accounting period and based on transfer of control of goods to the customer;Inspected revenue agreements with customers on sample basis to assess appropriateness of the Company’s accounting policies for revenue recognition in light of IFRS-15 ‘Revenue from contracts with CustomersChecked dispatch advises and bill of lading on a sample basis whether the recorded local and export sales transactions were based on actual transfer of control of goods to the customer;Checked if revenue was recorded at the right time by comparing sales made just before and after the year-end with supporting documents

Information Other than the Financial Statements and Auditor’s Report Thereon

Management is responsible for the other information. The other information comprises the information included in annual report, but does not include the financial statements and our auditor’s report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. When we read the annual report, if we conclude that there is a material misstatement of therein, we are required to communicate the matter to those charged with governance and take necessary actions as required under law. We have not been provided with the other information and therefore, we do not report on it.

Responsibilities of Management and Board of Directors for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and the requirements of the Companies Act, 2017 (XIX of 2017) and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Board of Directors are responsible for overseeing the Company’s financial reporting process.

Auditor’s Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company’s internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management’s use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor’s report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Based on our audit, we further report that in our opinion:

- proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
- the statement of financial position, the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns; and
- investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company’s business.

The engagement partner on the audit resulting in this independent auditor’s report is Nadeem Yousuf Adil.

Yousuf Adil

Chartered Accountants

Place: Karachi
Date: August 19, 2025
UDIN: AR202510091ljC1cMmFB

STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2025

Assets

Non-current assets

Property, plant and equipment
Intangible assets
Long term deposits

Current assets

Stores, spares and loose tools
Stock in trade
Trade debts
Loans and advances
Short term prepayments
Other receivables
Other financial assets
Taxation
Sales taxes
Cash and bank balances

Total assets

EQUITY AND LIABILITIES

Share capital and reserves

Share capital
General reserve
Unappropriated profits
Surplus on revaluation of operating fixed assets - net of tax

Non-current liabilities

Long term finance
Deferred liabilities

Current liabilities

Trade and other payables
Interest / mark up accrued
Short term borrowings
Current portion of long term finances
Unclaimed dividend
Provision for income and revenue taxes

Total equity and liabilities

Contingencies and commitments

The annexed notes from 1 to 45 form an integral part of these financial statements.

Shahid Anwar Tata
Chief Executive

Muhammad Zaid Kaliya
Chief Financial Officer

Adeel Shahid Tata
Director

		June 30, 2025	June 30, 2024
Note		----- (Rupees in '000) -----	
6	25,352,671	21,410,599	
7	8,763	9,422	
	4,727	4,727	
	25,366,161	21,424,748	
8	755,998	590,873	
9	14,110,360	9,152,912	
10	5,970,491	6,939,535	
11	497,796	82,790	
	23,566	22,890	
	265,700	170,617	
12	7,755,855	4,538,018	
13	1,082,648	728,858	
	1,792,286	394,589	
14	278,426	348,326	
	32,533,126	22,969,408	
	57,899,287	44,394,156	
15	559,936	559,936	
	2,805,996	2,805,996	
	8,496,803	7,083,799	
17	11,829,527	10,482,983	
	23,692,262	20,932,714	
18	4,290,293	3,187,320	
19	3,406,659	1,162,496	
	7,696,952	4,349,816	
20	3,379,230	3,003,524	
21	445,330	674,826	
22	19,419,065	13,142,724	
18	2,034,638	1,255,468	
	22,422	24,380	
	1,209,388	1,010,704	
	26,510,073	19,111,626	
	57,899,287	44,394,156	

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STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED JUNE 30, 2025

		June 30, 2025	June 30, 2024
	Note	----- (Rupees in '000) -----	
Revenue from contract with customers - net	24	41,239,930	45,823,700
Cost of goods sold	25	(38,949,113)	(42,486,472)
Gross profit		2,290,817	3,337,228
Distribution cost	26	(442,517)	(488,492)
Administrative expenses	27	(739,539)	(592,794)
Other operating expenses	28	(256,705)	(61,560)
Finance cost - net	29	(3,609,892)	(4,497,410)
		(5,048,653)	(5,640,256)
Other income - net	30	4,785,914	2,578,686
Profit before final taxes, revenue taxes and income tax		2,028,078	275,658
Final taxes	31	(83,781)	(417,928)
Profit / (Loss) before revenue taxes and income tax		1,944,297	(142,270)
Revenue taxes	32	(610,042)	(316,602)
Profit / (Loss) before income tax		1,334,255	(458,872)
Income tax - net	33	(221,104)	(95,039)
Profit / (Loss) for the year		1,113,151	(553,911)
		----- (Rupees) -----	
Earnings / (Loss) per share - basic and diluted	34	19.88	(9.89)

The annexed notes from 1 to 45 form an integral part of these financial statements.


Shahid Anwar Tata
Chief Executive


Muhammad Zaid Kaliya
Chief Financial Officer


Adeel Shahid Tata
Director


STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2025

		June 30, 2025	June 30, 2024
	Note	----- (Rupees in '000) -----	
Profit / (Loss) for the year		1,113,151	(553,911)
Other comprehensive income / (loss):			
Items that will not be reclassified subsequently to the statement of profit or loss			
Remeasurement of defined benefit obligation deferred tax thereon	19.1.2	(14,152) 1,863	(46,462) 3,865
		(12,289)	(42,597)
Adjustment of deferred tax relating to surplus on revaluation of operating fixed assets due to change in tax rate	17	(1,295,550)	317,990
Surplus on revaluation of operating fixed assets deferred tax thereon		3,728,879 (774,643)	- -
Other comprehensive income / (loss)		1,646,397	275,393
Total comprehensive income / (loss) for the year		2,759,548	(278,518)

The annexed notes from 1 to 45 form an integral part of these financial statements.


Shahid Anwar Tata
Chief Executive


Muhammad Zaid Kaliya
Chief Financial Officer


Adeel Shahid Tata
Director


STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED JUNE 30, 2025

		Capital reserves	Revenue reserves		Total
	Issued, subscribed and paid up capital	Revaluation surplus	General reserve	Unappropriated profit	
Note	----- (Rupees in '000) -----				
Balance as at June 30, 2023	559,936	10,476,205	2,805,996	7,537,077	21,379,214
Transactions with owners of the Company:					
Final cash dividend for the year ended June 30, 2023 at Rs. 3.00 (30%) per share	-	-	-	(167,982)	(167,982)
Loss for the year	-	-	-	(553,911)	(553,911)
Other comprehensive income / (loss) :					
Remeasurement of defined benefit plan - net of tax	-	-	-	(42,597)	(42,597)
Adjustment of surplus on revaluation of operating fixed assets due to change in rate	-	317,990	-	-	317,990
Total comprehensive loss for the year ended June 30, 2024	-	317,990	-	(764,490)	(446,500)
Transferred from surplus on revaluation of operating fixed assets on account of:					
- incremental depreciation	-	(310,724)	-	310,724	-
- disposal of operating fixed assets	-	(488)	-	488	-
	-	(311,212)	-	311,212	-
Balance as at June 30, 2024	559,936	10,482,983	2,805,996	7,083,799	20,932,714
Transactions with owners of the Company:					
Final cash dividend for the year ended June 30, 2024 at Rs. Nil per share	-	-	-	-	-
Profit for the year	-	-	-	1,113,151	1,113,151
Other comprehensive income / (loss) :					
Remeasurement of defined benefit plan - net of tax	-	-	-	(12,289)	(12,289)
Adjustment of surplus on revaluation of operating fixed assets due to change in rate	-	(1,295,550)	-	-	(1,295,550)
Surplus on revaluation of operating fixed assets deferred tax thereon	-	3,728,879 (774,643)	-	-	3,728,879 (774,643)
Total comprehensive loss for the year ended June 30, 2025	-	1,658,686	-	1,100,862	2,759,548
Transferred from surplus on revaluation of operating fixed assets on account of:					
- incremental depreciation	-	(312,142)	-	312,142	-
- disposal of operating fixed assets	-	-	-	-	-
17	-	(312,142)	-	312,142	-
Balance as at June 30, 2025	559,936	11,829,527	2,805,996	8,496,803	23,692,262

The annexed notes from 1 to 45 form an integral part of these financial statements.


Shahid Anwar Tata
Chief Executive


Muhammad Zaid Kaliya
Chief Financial Officer


Adeel Shahid Tata
Director

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2025

		June 30, 2025	June 30, 2024
Note	----- (Rupees in '000) -----		
A.	CASH FLOWS FROM OPERATING ACTIVITIES		
	Profit before final taxes, revenue taxes and income tax	2,028,078	275,658
	Adjustments for non-cash items and others:		
	Depreciation on operating fixed assets	6.1.1 883,472	856,637
	Amortisation of intangible assets	7.1 4,296	4,301
	Provision for defined benefit obligations	125,064	99,193
	Provision for compensated absences	37,391	30,874
	Provision for Provident fund	63,524	55,297
	Unrealised gain on revaluation of other financial assets	12.2 (3,302,523)	(1,805,165)
	Realised gain on sale of other financial assets	30 (138,584)	(21,229)
	Finance cost	29 3,609,892	4,497,410
	Capital work in progress expensed out	6.2 -	20,437
	Provision for doubtful debts	10.3.2 38,486	-
	Profit on term deposits, saving accounts and market treasury bills	30 (784,810)	(150,109)
	(Reversal) / Provision of workers' welfare fund	28 (25,844)	2,440
	Provision for workers' profit participation fund	28 105,400	14,415
	Dividend income	30 (558,538)	(574,028)
	Gain on disposal of operating fixed assets - net	30 (35)	(4,336)
	Operating cash flows before working capital changes	2,085,269	3,301,795
	(Increase) / decrease in current assets		
	Stores, spares and loose tools	(165,125)	(192,711)
	Stock in trade	(4,957,448)	4,440,171
	Trade debts	930,558	(304,738)
	Loans and advances	(415,006)	404,597
	Short term prepayments	(676)	(9,164)
	Other receivables	(95,344)	(35,251)
	Sales tax	(1,397,697)	44,481
	Increase / (decrease) in current liabilities		
	Trade and other payables	294,226	(2,372,717)
	Net cash (used in) / generated from operations	(3,721,243)	5,276,463
	Finance cost paid	(3,895,701)	(4,508,265)
	Taxes paid - net	(947,322)	(333,494)
	Defined benefit obligations paid	(85,839)	(117,417)
	Staff compensated absences paid	(37,646)	(29,751)
	Provident fund paid	(61,600)	(50,523)
	Net cash (used in) / generated from operating activities	(8,749,351)	237,013

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2025

B. CASH FLOWS FROM INVESTING ACTIVITIES

Purchase of property, plant and equipment
Proceeds from disposal of property, plant and equipment
Investment in market treasury bills
Purchase of other financial assets
Proceeds from disposal of market treasury bills
Proceeds from disposal of other financial assets
Dividends received during the period
Profit received on term deposits and saving accounts
Long term deposits

Net cash generated from / (used in) investing activities

C. CASH FLOWS FROM FINANCING ACTIVITIES

Long term finance obtained
Repayments of long term finance
Short term borrowings obtained
Repayments of short term borrowings
Dividend paid

Net cash generated from financing activities

Net (decrease) / Increase in cash and cash equivalents (A+B+C)

Cash and cash equivalents at beginning of the year

Cash and cash equivalents at end of the year

Note	June 30, 2025	June 30, 2024
----- (Rupees in '000) -----		
	(1,044,253)	(830,397)
	297	29,036
	(19,999,597)	-
	(481,515)	(890,144)
	20,573,831	-
	704,784	297,233
	558,538	574,028
	210,838	98,375
	-	(131)
	522,923	(722,000)
	3,239,300	2,401,353
	(1,357,157)	(784,703)
	14,073,005	11,559,286
	(9,580,013)	(12,083,706)
	(1,956)	(165,042)
	6,373,179	927,189
	(1,853,249)	442,201
	(9,042,249)	(9,484,450)
35	(10,895,498)	(9,042,249)

NOTES TO THE MATERIAL ACCOUNTING POLICY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2025

1. Legal status and nature of Business

1.1 The Company and it's operations

Tata Textile Mills Limited (the Company) is a public limited company incorporated in Pakistan on April 15, 1987 under the Companies Ordinance, 1984 (repealed by The Companies Act, 2017) and listed on Pakistan Stock Exchange Limited. The principal activity of the company is manufacturing and sale of yarn.

Following are the geographical locations and addresses of all business units of the Company:

Head Office:

The registered office of the Company is situated at 6th floor, Textile Plaza, M.A. Jinnah Road, Karachi, in the province of Sindh.

Manufacturing facilities:

The Company has following manufacturing units:

- a) 10-KM M.M. Road, Khanpur, Baggasher, Muzaffargarh, Pakistan;
- b) HX-1, Landhi Industrial Area, Karachi, Pakistan; and
- c) A/12, SITE, Kotri, District, Jamshoro, Sindh, Pakistan.

Warehouses:

The Company has following warehouses:

- a) W5/02 and W5/03, North Western Industrial Zone, Port Qasim Authority, Karachi, Pakistan; and
- b) F - 242, S.I.T.E Karachi, Pakistan.

2. Basis of preparation

2.1 Statement of compliance

These financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of:

- International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017 (the Act);
- Provisions of and directives issued under the Act; and
- Islamic Financial Accounting Standards (IFAS) issued by Institute of Chartered Accountants of Pakistan (ICAP) as notified under the Act.

Where provisions of and directives issued under the Act differ from the IFRS Standards, the provisions of and directives issued under the Act have been followed.

2.2 Basis of measurement

These financial statements have been prepared under the historical cost convention except for:

- Operating fixed assets which are carried at revalued amounts in accordance with IAS 1 'Property, plant and equipment' as disclosed in note 5.1 and 6.1.
- Employees' retirement benefits which is carried at present value of defined benefit obligation in accordance with the requirement of IAS-19 'Employee Benefits', as disclosed in note 5.13 and 19.1.
- certain financial instruments measured at fair value.


Shahid Anwar Tata
Chief Executive


Muhammad Zaid Kaliya
Chief Financial Officer


Adeel Shahid Tata
Director

2.3 Functional and presentation currency

These financial statements are presented in Pakistan Rupees which is the Company's functional and presentation currency. Figures have been rounded off to the nearest rupee in thousands.

2.4 Critical accounting estimates and judgments

The preparation of the financial statements in conformity with approved accounting standards, as applicable in Pakistan, requires management to make estimates, assumptions and use judgment that affect the application of accounting policies and the reported amount of assets, liabilities, income and expenses.

Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognised prospectively commencing from the period of revision. Areas where judgments and estimates made by the management that may have a significant effect on the amounts recognised in the financial statements are included in the following notes:

	Note
- Useful lives and revaluation of certain items of operating fixed assets	5.1.1
- Useful lives of intangible assets	5.2
- Valuation of stores and spares and stock in trade	5.3 & 5.4
- Impairment of non-financial assets and financial assets	5.5 & 5.8
- Retirement benefit obligation	5.13
- Taxation / Revenue Taxes / Final Taxes	5.17

3. Adoption of new and revised accounting standards

a) New amendments that are effective for the year ended June 30, 2025

The following amendments are effective for the year ended June 30, 2025. These amendments are either not relevant to the Company's / Bank's operations or are not expected to have significant impact on the Company's / Bank's financial statements other than certain additional disclosures.

- Amendments to IFRS 16 'Leases' -Clarification on how seller-lessee subsequently measures sale and leaseback transactions
- Amendments to IAS 1 'Presentation of Financial Statements' - Classification of liabilities as current or non-current along with Non-current liabilities with Covenants
- Amendments to IAS 7 'Statement of Cash Flows' and 'IFRS 7 'Financial instruments disclosures' - Supplier Finance Arrangements

b) Standard and amendments to IFRS that are not yet effective

The following standards and amendments are effective for accounting periods, beginning on or after the date mentioned against each of them. These amendments are either not relevant to the Company's / Bank's operations or are not expected to have significant impact on the Company's / Bank's financial statements other than certain additional disclosures.

	Effective from Accounting period beginning on or after
- Amendments to IAS 21 'The Effects of Changes in Foreign Exchange Rates' - Clarification on how entity accounts when there is long term lack of Exchangeability	January 01, 2025
- IFRS 17 – Insurance Contracts (including the June 2020 and December 2021 Amendments to IFRS 17)	January 01, 2026

Effective from Accounting period beginning on or after

- Amendments IFRS 9 'Financial Instruments' and IFRS 7 'Financial instruments disclosures' - Classification and measurement of financial instruments January 01, 2026
- Annual Improvements to IFRS Accounting Standards (related to IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7) January 01, 2026
- Amendments IFRS 9 'Financial Instruments' and IFRS 7 'Financial instruments disclosures' - Contracts Referencing Nature-dependent Electricity January 01, 2026

Other than the aforesaid amendments, IASB has also issued the following standards which have not been adopted locally by the Securities and Exchange Commission of Pakistan:

- IFRS 1 – First Time Adoption of International Financial Reporting Standards
- IFRS 18 - Presentation and Disclosures in Financial Statements
- IFRS 19 - Subsidiaries without Public Accountability: Disclosures

4. ADOPTION OF NEW ACCOUNTING POLICY

4.1 Significant Accounting Policy to Material Accounting Policies Information

During the year, the Company adopted the Disclosure of Accounting Policies (Amendments to IAS 1) effective from beginning on or after January 01, 2023. The amendments require the disclosure of 'material', rather than 'significant', accounting policies. Although the amendments did not result in any changes to the accounting policies themselves.

5. MATERIAL ACCOUNTING POLICIES INFORMATION

The material accounting policies applied in the preparation of these financial statements are set out below. These have been consistently applied to all the years presented, unless otherwise stated.

5.1 Property, plant and equipment

5.1.1 Operating fixed assets

Operating fixed assets except freehold land, buildings on freehold land, plant and machinery and electric installations are stated at cost less accumulated depreciation and impairment, if any. Freehold land, building, plant and machinery and electric installations are stated at revalued amount being the fair value at the date of revaluation, less subsequent accumulated depreciation and impairment losses, if any. Revaluations are performed with sufficient regularity so that the fair value and carrying value do not differ materially at the reporting date.

Depreciation is charged to statement of profit or loss applying the reducing balance method at the rates specified in note 6.1 to these financial statements. Depreciation on all additions in operating fixed assets is charged from the date in which the asset is available for use and depreciation ceases on the date of disposal. The residual values, depreciation method and assets' useful lives are reviewed and adjusted, if appropriate, at each reporting date.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to statement of profit or loss during the year in which these are incurred.

Gains and losses on disposal are recognised in the statement of profit or loss, and the related surplus on revaluation of operating fixed assets is recorded in statement of comprehensive income.

Increases in the carrying amount arising on revaluation of operating assets are recognised, net of tax, recognised in statement of comprehensive income and accumulated in reserves in shareholders' equity. To the extent that the increase reverses a decrease previously recognised in statement of profit or loss, the increase is first recognised in statement of profit or loss. Decreases that reverse previous increases of the same asset are first recognised in statement of other comprehensive income to the extent of the remaining surplus attributable to the asset; all other decreases are charged to statement of profit or loss. Each year, the difference between depreciation based on the revalued carrying amount of the asset charged to statement of profit or loss and other comprehensive income and depreciation based on the asset's original cost, net of tax, is reclassified from the revaluation surplus to retained earnings.

5.1.2 Capital work in progress

Capital work in progress (CWIP) is stated at cost less any impairment loss, if any. All expenditures connected to specific assets incurred during installation and construction period are carried under CWIP. Expenditures also include borrowing costs as referred to in note 5.15. Items are transferred to operating fixed assets as and when assets are ready for their intended use.

5.2 Intangible assets

An intangible asset is recognised as an asset if it is probable that future economic benefits attributable to the asset will flow to the Company and the cost of such asset can be measured reliably.

Costs associated with maintaining computer software programs are generally recognised as an expense when incurred. However, costs that are directly associated with identifiable software and have probable economic benefits exceeding one year, are recognised as an intangible asset. Direct costs include the purchase cost of software and related overhead cost. Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses, if any, thereon.

Intangible assets with a definite useful life are amortised on a straight line basis over its useful life. Amortisation on all additions in intangible assets is charged from the date in which the asset is available for use and it ceases on the date of disposal. Amortisation charge is recognised in the statement of profit or loss. The rates of amortisation are disclosed in note 7.

5.3 Stores, spares and loose tools

These are valued at cost. The cost is determined on moving average basis less allowance for obsolete and slow moving items. Stores, spares and loose tools in transit are stated at invoice values plus other charges incurred thereon up to the reporting date.

5.4 Stock in trade

Stock in trade is stated at the lower of cost and net realisable value. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. Cost is calculated using the weighted average cost method. Net realisable value represents the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

5.5 Impairment of non-financial assets

The Company assesses at each reporting date whether there is any indication that assets except stock in trade may be impaired. If such indication exists, the carrying amounts of such assets are reviewed to assess whether they are recorded in excess of their recoverable amount. Where carrying values exceed the respective recoverable amount, assets are written down to their recoverable amounts and the resulting impairment loss is recognised in the statement of profit or loss. Recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

An impairment loss is reversed if there is a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. A reversal of an impairment loss is recognised immediately in the statement of profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as an increase in revaluation surplus.

5.6 Contract liabilities

When a customer pays consideration before the Company transfers goods or services to the customer, an advance is recognised when the payment is made or the payment is due (whichever is earlier). Advances are recognised as revenue when the Company fulfills its performance obligations under the contract.

5.7 Short term prepayments

These are initially recognised at cost, which is the fair value of the consideration given. Subsequent to initial recognition these are measured at amortised cost.

5.8 Financial instruments

Financial assets and financial liabilities are recognised in the Company's statement of financial position when the Company becomes a party to the contractual provisions of the instrument.

5.8.1 Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace. All recognised financial assets are measured subsequently in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

A) Trade debts

Trade debts and other receivables are recognised initially at fair value and subsequently measured at amortised cost less provision for expected credit losses, if any. The Company always measures the loss allowance for trade debts at an amount equal to lifetime expected credit losses (ECL). The expected credit losses on trade debts are estimated using a provision matrix by reference to past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for factors that are specific to the debtors, general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of conditions at the reporting date.

Trade debts and other receivables considered irrecoverable are written off.

Exchange gains or losses arising in respect of trade and other receivables in foreign currency are adjusted from their respective carrying amounts.

- *Definition of default*

The Company employs statistical models to analyse the data collected and generate estimates of probability of default ('PD') of exposures with the passage of time. This analysis includes the identification for any changes in default rates and changes in key macro-economic factors across various geographies of the Company.

B) Other financial assets

Other financial assets are measured at amortised cost as they are held within a business model whose objective is to hold assets to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Other financial assets comprises of investments carried at fair value through profit or loss (FVTPL) and term deposit receipts (TDRs) which are carried at amortised cost.

C) Impairment of financial assets

The Company assesses at each reporting date whether there is any objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset (an incurred loss event) and that loss event has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated. Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation and where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

D) Derecognition of financial assets

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or where the entity has transferred substantially all risks and rewards of ownership.

5.8.2 Financial liabilities

All financial liabilities are recognised at the time when the Company becomes a party to the contractual provisions of the instrument. Financial liabilities are recognised initially at fair value less any directly attributable transaction cost. Subsequent to initial recognition, these are measured at amortised cost using the effective yield method.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expired. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in respective carrying amounts is recognised in the statement of profit or loss.

A) Bank borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred and are subsequently stated at amortised cost. Borrowings are classified as current liabilities unless the Company has an unconditional right to defer the settlement of the liability for at least twelve months after the reporting date. Exchange gains and losses arising in respect of borrowings in foreign currency are added in the carrying amount of the borrowing.

B) Trade and other payables

Trade and other payables are recorded initially at fair value and subsequently measured at amortised cost. Generally, this results in their recognition at their nominal value.

5.9 Offsetting of financial assets and financial liabilities

A financial asset and a financial liability is offset and the net amount reported in the statement of financial position, if the Company has a legal enforceable right to set off the transaction and also intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

5.10 Cash and cash equivalents

Cash and cash equivalents are carried in the statement of financial position at amortised cost. For the purpose of statement of cash flows, cash and cash equivalents consist of cash in hand, balances with banks and short term running finances. Running finances are shown with short term borrowings in current liabilities on the statement of financial position / cash finance.

5.11 Share capital

Ordinary shares are classified as equity and are recorded at their face value.

5.12 Dividend distribution

Dividend distribution to the Company's shareholders is recognised as a liability in the financial statements in the year in which the dividends are approved for distribution to shareholders.

5.13 Retirement benefit obligation

The Company manages two unfunded schemes for its workmen and non-workmen categories, the details of which are as follows:

i) Defined benefit plan - Workmen

The Company operates a gratuity scheme for all its employees under workmen category who have completed the minimum qualifying period of service as defined under the scheme. Provisions are made to cover the obligations under the scheme on the basis of actuarial valuation and charged to statement of profit or loss and other comprehensive income. All actuarial gains and losses are recognised in statement of comprehensive income as they occur. The most recent valuation was carried out as at June 30, 2025 using 'Projected Unit Credit Method'. The amount recognised in the statement of financial position represents the present value of defined benefit obligation.

ii) Defined contribution plan - Non-Workmen and Executives

The Company operates an approved contribution provident fund for staff. Equal monthly contributions are made both by the Company and employees to the Fund at the rate of 8.34% of the gross salary.

5.14 Compensated absences

The Company provides for compensated absences of its employees on unavailed balance of leave in the period in which the leave is earned based on one gross salary of the employee. Under the policy, leaves of 10 days for all staff only working in shifts can be accumulated and carried forward.

5.15 Borrowing cost

Borrowing costs are recognised as an expense in the period in which these are incurred except where such costs are directly attributable to the acquisition, construction or production of a qualifying asset in which case such costs are capitalised as part of the cost of that asset. Borrowing costs eligible for capitalisation are determined using effective interest rate method.

5.16 Provisions

Provisions are recognised when the Company has a present, legal or constructive obligation as a result of the past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount can be made. However, provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

5.17 Taxation / Revenue Taxes / Final Taxes

i) Current

Provision for current taxation is based on taxable income at the enacted / corporate tax rate after taking into account tax credits and rebates available, if any, as per the Income Tax Ordinance, 2001.

ii) Revenue Taxes

Revenue taxes include levies as per IFRIC 21, minimum taxes and final taxes on export sales and dividend income.

A levy is an outflow of resources embodying economic benefits that is imposed by governments on entities in accordance with legislation (i.e. laws and/or regulations), other than:

(a) those outflows of resources that are within the scope of other standards.

(b) fines or other penalties that are imposed for breaches of the legislation.

In these financial statements, levy includes minimum taxes differential, if any, final taxes and super taxes which are calculated on a basis other than taxable profits. The corresponding advance tax paid, except for minimum taxes under section 113, which are treated as levy are recognised as prepaid assets.

Final taxes includes tax charged / withheld / paid on certain income streams under various provisions of Income Tax Ordinance, 2001 (Ordinance). Final tax is charged / computed under the Ordinance, without reference to income chargeable to tax at the general rate of tax and final tax computed / withheld or paid for a tax year is construed as final tax liability for the related stream of Income under the Ordinance.

iv) *Deferred*

Deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax asset is recognised for all deductible temporary differences and carried forward unused tax losses, if any, to the extent that it is probable that taxable profit will be available against which such temporary differences and tax losses can be utilised.

5.18 Revenue recognition

Interest income is recognised on a time proportionate basis using the effective rate of return.

The Company presents basic and diluted earnings per share (EPS) for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares.

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. On the basis of its internal reporting structure, the Company considers itself to be a single reporting segment.

Foreign currency transactions are translated into Pakistan Rupees (functional currency) using the exchange rate prevailing at the dates of transactions. Monetary assets and liabilities in foreign currencies are translated at year end into Pakistan Rupees using the exchange rate at the reporting date. Foreign exchange gains and losses resulting from the settlement of foreign currency transactions and from the translations of monetary assets and liabilities denominated in foreign currencies at reporting date are included in the statement of profit or loss.

		June 30, 2025	June 30, 2024
	Note	----- (Rupees in '000) -----	
Operating fixed assets	6.1	24,798,672	21,043,242
Capital work in progress	6.2	553,999	367,357
		25,352,671	21,410,599

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June 30, 2024										
Particulars	Cost / revalued amount at July 01, 2023	Transfers during the year	Disposals / write off during the year / transfer to CWIP	Cost / revalued amount at June 30, 2024	Accumulated depreciation at July 01, 2023	Depreciation for the year	Depreciation on disposals / write off	Accumulated depreciation at June 30, 2024	Written down value at June 30, 2024	Rate
----- (Rupees in '000) -----										(%)
Owned										
Freehold land	959,087	-	-	959,087	-	-	-	-	959,087	-
Leasehold land	3,485,230	-	-	3,485,230	-	-	-	-	3,485,230	-
Buildings on freehold land	1,073,660	23,068	-	1,096,728	181,451	45,337	-	226,788	869,940	5
Buildings on leasehold land										
-Godown	407,221	-	-	407,221	66,067	17,058	-	83,125	324,096	5
-Mills	2,687,420	495,641	-	3,183,061	430,470	122,513	-	552,983	2,630,078	5
-Others	119	-	-	119	106	1	-	107	12	10
Office premises	3,607	-	-	3,607	2,284	132	-	2,416	1,191	10
Plant, machinery and electric installations	13,830,092	1,673,804	(25,005)	15,478,891	2,572,374	602,737	(1,735)	3,173,376	12,305,515	5-10
Factory and workshop equipment	106,864	2,451	(1,621)	107,694	55,379	5,252	(1,251)	59,380	48,314	10
Lease hold improvements	342,245	-	-	342,245	72,300	26,994	-	99,294	242,951	10
Furniture and fixtures	113,563	4,283	(2,967)	114,879	59,827	5,554	(2,221)	63,160	51,719	10
Office equipment	166,047	16,874	(3,836)	179,085	111,477	14,267	(3,522)	122,222	56,863	10-30
Vehicles	209,392	1,845	-	211,237	126,199	16,792	-	142,991	68,246	20
June 30, 2024	23,384,547	2,217,966	(33,429)	25,569,084	3,677,934	856,637	(8,729)	4,525,842	21,043,242	

6.1.1 Depreciation for the year has been allocated as under:

Cost of goods manufactured Administrative expenses	June 30, 2025		June 30, 2024	
	----- (Rupees in '000) -----		----- (Rupees in '000) -----	
	Note			
	25.1	826,056	793,405	
	27	57,416	63,232	
		883,472	856,637	

6.1.2 Had there been no revaluation the related figures of freehold land, buildings on freehold land, plant, machinery and electric installations, would have been as follows:

June 30, 2025					June 30, 2024				
Cost	Accumulated depreciation	Written down value	Cost	Accumulated depreciation	Written down value	Cost	Accumulated depreciation	Written down value	Cost
----- (Rupees in '000) -----									
Freehold land	89,617	-	89,617	89,617	-	89,617	-	89,617	
Leasehold land	30,639	-	30,639	179,319	-	179,319	-	179,319	
Buildings on freehold land	521,124	255,717	265,407	517,748	241,822	275,926			
Buildings on leasehold land									
-Godown	145,555	55,482	90,073	162,824	51,673	111,151			
-Mills	1,789,281	600,518	1,188,763	1,784,901	538,144	1,246,757			
Plant, machinery and electric installations	12,972,358	4,874,287	8,098,071	12,068,276	4,452,348	7,615,928			
	15,548,574	5,786,004	9,762,570	14,802,685	5,283,987	9,518,698			

Revaluation of freehold land, buildings on freehold land, plant and machinery and electric installations was carried out on September 30, 2003, June 30, 2008, June 30, 2012, December 31, 2015, June 30, 2018, June 30, 2019, June 30, 2022 and June 30, 2025. All the revaluations were conducted by the independent professional valuer M/s. Iqbal A. Nanjee & Co (Private) Limited on the basis of market value or depreciated replacement values as applicable. In estimating the fair value of the assets, the highest and best use of the premises is its current use. As a result, revaluation surplus of Rs. 3,729 million has been credited to equity account to comply with the requirements of International Accounting Standards 16 'Property, Plant and Equipment' in June 30, 2025. The forced sales values of freehold land, buildings on freehold land, leasehold land, building on leasehold land and property, plant machinery and electric installations at that time was Rs. 4,283 million, Rs. 3,767 million, and Rs. 11,313 million respectively.

6.1.3 Disposal of operating fixed assets

Details of operating fixed assets disposed off during the year having net book value Rs. 500,000 and above are as follows:

Particulars	Cost / revalued amount	Accumulated depreciation	Written down value	Sale proceeds	Gain / (loss)	Mode of disposal and relationship	Particulars of buyer
----- (Rupees in '000) -----							
-	-	-	-	-	-	-	
-	-	-	-	-	-	-	
-	-	-	-	-	-	-	
-	-	-	-	-	-	-	

6.1.4 Particulars of immovable property (i.e. land and building) in the name of Company are as follows:

Location		Usage of immovable property		Total Area (In acres)	
a)	10-KM M.M. Road, Khanpur, Baggasher, Muzaffargarh, Punjab, Pakistan		Manufacturing facility		151.60
b)	A/12, SITE, Kotri, District, Jamshoro, Sindh, Pakistan		Manufacturing facility		13.73
c)	HX-1, Landhi Industrial Area, Karachi, Pakistan		Manufacturing facility		18.80
d)	W5/02 and W5/03, North Western Industrial Zone, Port Qasim Authority, Karachi, Pakistan		Warehouse		10.00
e)	F - 242, S.I.T.E Karachi, Pakistan		Warehouse		0.50
		Civil works	Plant, machinery and electric installations	Others	Total
----- (Rupees in '000) -----					

6.2 Capital work in progress

June 30, 2025

Movement in balance during the year:

Opening balance	349,447	11,583	6,327	367,357
Additions	131,925	886,510	25,818	1,044,253
Borrowing cost capitalised during the year	56,313	-	-	56,313
Transfer to operating fixed assets	(7,756)	(877,332)	(25,199)	(910,287)
Transfer to intangible assets	-	-	(3,637)	(3,637)
Expensed out	-	-	-	-
Closing balance	529,929	20,761	3,309	553,999

June 30, 2024

Movement in balance during the year:

Opening balance	479,776	1,151,188	30,100	1,661,064
Additions	362,847	462,941	4,609	830,397
Borrowing cost capitalized during the year	43,511	71,258	30	114,799
Transfer to operating fixed assets	(518,709)	(1,673,804)	(25,453)	(2,217,966)
Transfer to intangible assets	-	-	(500)	(500)
Expensed out	(17,978)	-	(2,459)	(20,437)
Closing balance	349,447	11,583	6,327	367,357

7. INTANGIBLE ASSETS

Cost		Amortisation		Book value as at June 30, 2025		Rate of Amortisation	
As at July 01, 2024	Transfers during the year	As at June 30, 2025	Charge for the year	As at June 30, 2025	as at June 30, 2025	Rate of Amortisation	
----- (Rupees in '000) -----							
7,009	-	7,009	1,252	7,009	-	20	
1,593	-	1,593	-	1,593	-	20	
39,561	3,637	43,198	3,044	34,435	8,763	20	
48,163	3,637	51,800	4,296	43,037	8,763		
Cost		Amortisation		Book value as at June 30, 2024		Rate of Amortisation	
As at July 01, 2023	Transfers during the year	As at June 30, 2024	Charge for the year	As at June 30, 2024	as at June 30, 2024	Rate of Amortisation	
----- (Rupees in '000) -----							
7,009	-	7,009	4,336	1,421	5,757	1,252	20
1,593	-	1,593	1,571	22	1,593	-	20
39,061	500	39,561	28,533	2,858	31,391	8,170	20
47,663	500	48,163	34,440	4,301	38,741	9,422	
License fee							
Bar code software							
ERP / Fusion software							

		June 30, 2025	June 30, 2024
7.1	Amortisation for the year has been allocated as under:	Note	----- (Rupees in '000) -----
	Cost of goods manufactured	25.1	1,881
	Administrative expenses	27	2,415
			4,296

8. STORES, SPARES AND LOOSE TOOLS

	Stores and spares	8.1	775,914	610,789
	Loose tools		34	34
			775,948	610,823
	Provision for slow moving stores, spares and loose tools		(19,950)	(19,950)
			755,998	590,873

8.1 It includes stores, spares and loose tools in transit amounting to Rs.140.36 million (June 30, 2024: Rs. 29.01 million).

		June 30, 2025	June 30, 2024
9.	STOCK IN TRADE	Note	----- (Rupees in '000) -----
	Raw material	9.1 & 9.2	10,352,502
	Work in process		350,017
	Finished goods	9.3	3,321,257
	Waste stock		86,584
			14,110,360

9.1 Raw material includes stock in transit amounting to Rs.1,834.46 million (June 30, 2024: Rs. 1,308.25 million).

9.2 The net realisable value (NRV) of the raw material was higher than its cost and does not require any provision in the current year.

9.3 The net realisable value of the finished goods was lower than its cost as at year end which resulted in a write down amounting to Rs.182.30 million (June 30, 2024 : Rs. 75.68 million).

		June 30, 2025	June 30, 2024
10.	TRADE DEBTS	Note	----- (Rupees in '000) -----
	Considered good		
	Export - secured	10.1	57,587
	Local - unsecured	10.2 & 10.3	5,912,904
	Considered doubtful		
	Local - unsecured	10.3	42,133
	Provision for doubtful debts	10.3	(42,133)
			-
			5,970,491

10.1 These are secured against letters of credit in favor of the Company.

10.2 Trade debts are non-interest bearing and are generally on 7 to 90 days credit term.

10.3 As at June 30, 2025, local trade debts aggregating Rs.2,385 million (June 30, 2024: Rs. 2,370 million) were past due for which the Company has made a provision of Rs.42.13 million (June 30, 2024: Rs. 3.64 million). The ageing of these past due trade debts is as follows:

	Note	June 30, 2025	June 30, 2024
10.3.1	Ageing of past due but not impaired	----- (Rupees in '000) -----	
	1-30 days	1,485,859	23,100
	31-90 days	819,218	2,238,715
	91 days and above	80,567	107,933
		2,385,644	2,369,748

10.3.2 The movement in provision during the year is as follows:

	Opening balance	3,648	3,648
	Provision for the year	38,486	-
	Closing balance	42,134	3,648

11. LOANS AND ADVANCES

	Considered good		
	Loan to employees	11.1	863
	Advance to suppliers		342,940
	Advance for expenses		121
	Advance against letters of credit		153,872
			497,796

11.1 These represent short term interest free loans to employees as per Company's policy. These are adjustable against salaries and recoverable within a period of one year.

		June 30, 2025	June 30, 2024
12.	OTHER FINANCIAL ASSETS	Note	----- (Rupees in '000) -----
	Amortised cost		
	Term deposit receipts	12.1	1,591,132
	At fair value through profit or loss		
	Investment in listed securities		
	United Bank Limited 22,340,000 ordinary shares of Rs.5 each (June 30, 2024: 11,170,000 ordinary shares of Rs.10 each)		6,164,723
	Habib Bank Limited Nil (June 30, 2024: 181,000) ordinary shares of Rs.10 each		-
	MCB Bank Limited Nil (June 30, 2024: 1,861,000) ordinary shares of Rs.10 each		-
	Bank Al Habib Limited Nil (June 30, 2024: 1,081,000l) ordinary shares of Rs.10 each		-
		12.2 & 12.3	6,164,723
			7,755,855

12.1 These carry markup rate at 10.21% to 21.50% (June 30, 2024: 19% to 21.50%) per annum and have a maturity period of twelve months.

12.2 Movement in investment in listed securities:

	June 30, 2025	June 30, 2024
Note	----- (Rupees in '000) -----	
Opening balance	3,428,401	1,602,180
Acquired during the year	-	297,059
Unrealised gain / (loss) on remeasurement at fair value	3,302,523	1,805,165
Disposed off during the year	(566,201)	(276,003)
Closing balance	12.3 6,164,723	3,428,401

12.3 These shares are pledged against term financing facility from commercial banks as disclosed in note 18.1.

13. TAXATION

	June 30, 2025	June 30, 2024
Note	----- (Rupees in '000) -----	
Advance income tax	963,818	613,929
Final taxes	118,830	114,929
	1,082,648	728,858

14. CASH AND BANK BALANCES

Cash at bank

In current accounts		
- Local currency	14.2 268,759	345,587
- Foreign currency	14.3 8,027	215
	276,786	345,802
In savings accounts	14.1 587	27
	277,373	345,829
Cash in hand	1,053	2,497
	278,426	348,326

14.1 These carry interest rates ranging from 9.5% to 19% (June 30, 2024: 10% to 19%) per annum.

14.2 This includes Shariah-compliant balances amounting to Rs. 106.73 million (June 30, 2024: Rs. 208.64 million)

14.3 This includes Shariah-compliant balances amounting to Rs. 79,795 (June 30, 2024: Rs. 78,166)

15. SHARE CAPITAL

	June 30, 2025	June 30, 2024		June 30, 2025	June 30, 2024
(Numbers of shares in '000)			----- (Rupees in '000) -----		
Authorised capital					
100,000	100,000	Ordinary shares of Rs. 10 each	1,000,000	1,000,000	

June 30, 2025	June 30, 2024		June 30, 2025	June 30, 2024
(Numbers of shares in '000)			----- (Rupees in '000) -----	
Issued, subscribed and paid-up capital				
13,100	13,100	Ordinary shares of Rs. 10 each	131,000	131,000
4,225	4,225	- issued for cash	42,247	42,247
38,669	38,669	- issued as bonus shares	386,689	386,689
		- issued in pursuant to amalgamation		
55,994	55,994		559,936	559,936

15.1 The Company has one class of ordinary shares which carry no right to fixed income. The holders are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All shares rank equally with regard to the Company's residual assets.

16. AMALGAMATION RESERVE

Amalgamation Reserve	June 30, 2025	June 30, 2024
	----- (Rupees in '000) -----	
	(337,950)	(337,950)

The High Court of Sindh sanctioned the amalgamation of Island Textile Mills Limited (ILTM), Salfi Textile Mills Limited (SALT), and Tata Energy Limited (TEL) under the Companies Act 2017, effective July 01, 2021. Following approval, Tata Textile Mills Limited (TATM) absorbed all assets, liabilities, and contracts of the amalgamated companies. In consideration, TATM issued fully paid ordinary shares to ILTM, TEL, and SALT shareholders based on a court-approved swap ratio. The merger was accounted for using the predecessor value method, incorporating net assets at their June 30, 2021 carrying amounts, with any excess over shares issued adjusted in equity. The difference between the net assets and other reserves acquired and share capital issued against those net assets has been recorded as 'Amalgamation Reserve'. Financial statements reflect results from July 01, 2021, onward, with no prior period restatement, and the transaction was treated as non-cash for cash flow reporting purposes.

17. SURPLUS ON REVALUATION OF OPERATING FIXED ASSETS - NET OF TAX

'This represents surplus over book value resulting from the revaluation of freehold land, buildings on freehold land, plant and machinery and electric installations as disclosed in note 6.1.

	June 30, 2025	June 30, 2024
	----- (Rupees in '000) -----	
Opening balance	11,055,248	11,412,754
Revaluation during the year	3,728,879	-
Transferred to unappropriated profit on account of		
- incremental depreciation	(312,142)	(310,724)
- disposal of operating fixed assets	-	(488)
Related deferred tax liability	(14,152)	(46,294)
	(326,294)	(357,506)
Closing balance	14,457,833	11,055,248

		June 30, 2025	June 30, 2024
	Note	----- (Rupees in '000) -----	
Related deferred tax liability			
Opening balance		572,265	936,549
Effect of revaluation carried out during the year		774,643	-
Adjustment due to change in rate on			
- income subject to final tax regime	17.1	1,295,550	(317,990)
Transferred to statement of profit or loss of:			
- incremental depreciation		(14,152)	(46,294)
- disposal		-	-
Closing balance		(2,628,306)	(572,265)
		11,829,527	10,482,983

17.1 This represents effect on opening deferred tax liability due to revision of effective deferred tax rate from 8.32% to 29% (June 30, 2024: 12.94% to 8.32%) per annum in order to incorporate the affect of change in proportion of export sales to local sales which falls under Final Tax Regime (FTR).

		June 30, 2025	June 30, 2024
	Note	----- (Rupees in '000) -----	
18. LONG TERM FINANCE			
From banking companies (Secured) - At amortised cost			
Term finances	18.1	5,219,603	3,088,793
Syndicate financing	18.2	-	12,757
SBP - LTFF	18.3	1,065,147	1,297,092
SBP REEF - Solar project	18.4	40,181	44,146
		6,324,931	4,442,788
Current portion shown under current liabilities			
Term finances	18.1	(1,802,974)	(1,006,805)
Syndicate financing	18.2	-	(10,023)
SBP - LTFF	18.3	(224,965)	(231,940)
SBP REEF - Solar project	18.4	(6,699)	(6,700)
		(2,034,638)	(1,255,468)
		4,290,293	3,187,320

18.1 These are secured against joint pari passu charge on all present and future fixed assets including, plant and machinery (excluding land and buildings), and investments in listed securities. These facilities are subject to markup at the rate of 1-3 months' KIBOR plus 0.5% to 2% per annum (June 30, 2024: 3 months' KIBOR plus 0.5% to 2% per annum). These loans are repayable in equal quarterly installments upto October 2032.

18.2 This represents outstanding against loan of Rs. Nill (June 30, 2024: Rs. 12.757 million obtained from a syndicate of 8 commercial banks secured against joint pari passu charge on entire operating fixed assets (excluding land and buildings), of the Company. The Company received SBP-LTFF grant for Rs. 726 million out of total loan of Rs. 3 billion. SBP-LTFF is subject to SBP markup rate of 2% plus bank spread of 1.5% per annum, payable semi-annually (June 30, 2024: 2% plus bank spread of 1.5% per annum, payable semi-annually).

18.3 These facilities are secured against joint pari passu charge on operating fixed assets (excluding land and buildings), and are subject to SBP markup rate of 2% to 8% plus bank spread of 1.5% to 2.5% per annum (June 30, 2024: SBP markup rate of 2% to 8% plus bank spread of 1.5% to 2.5% per annum). These are payable in 10 years with principal and markup payable in half yearly installments.

18.4 These facilities are obtained to finance solar project under SBP financing scheme for Renewable Energy. These facilities are secured against joint pari passu charge on operating fixed assets (excluding land and buildings). These facilities are subject to SBP markup rate of 2% plus bank spread of 2% per annum (June 30, 2024: SBP markup rate of 2% plus bank spread of 2% per annum). These are repayable in 32 equal quarterly installments and have various maturity dates.

18.5 Reconciliation of liabilities arising from long term financing activities

The table below details changes in the Company's liabilities arising from the financing activities, including both cash and non-cash changes, if any. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Company's condensed interim statement of cash flows as cash flows from financing activities.

	June 30, 2025			
	July 01, 2024	Obtained during the year	(Repaid) during the year	June 30, 2025
	----- (Rupees in '000) -----			
Term finances	3,088,793	3,239,300	(1,108,490)	5,219,603
Syndicate loan financing	12,757	-	(12,757)	-
SBP - LTFF	1,297,092	-	(231,945)	1,065,147
SBP REEF - Solar project	44,146	-	(3,965)	40,181
	4,442,788	3,239,300	(1,357,157)	6,324,931

	June 30, 2024			
	July 01, 2023	Obtained during the year	(Repaid) during the year	June 30, 2024
	----- (Rupees in '000) -----			
Term finances	1,269,392	2,401,353	(581,952)	3,088,793
Syndicate loan financing	45,344	-	(32,587)	12,757
SBP - LTFF	1,460,557	-	(163,465)	1,297,092
SBP REEF - Solar Project	50,845	-	(6,699)	44,146
	2,826,138	2,401,353	(784,703)	4,442,788

		June 30, 2025	June 30, 2024
	Note	----- (Rupees in '000) -----	
19. DEFERRED LIABILITIES			
Defined benefit obligations	19.1	503,606	450,229
Compensated absence		3,893	4,148
Deferred taxation	19.2	2,899,160	708,119
		3,406,659	1,162,496

19.1 Defined benefit obligations

Defined benefit plans

Workmen	19.1.1	434,676	355,866
Non-workmen	19.1.10	68,930	94,363
		503,606	450,229

19.1.1 Workmen - Defined benefit plan

The details of the workmen - defined benefit plan obligation based on actuarial valuations carried out by independent actuary as at June 30, 2025 using the Projected Unit Credit Method, in accordance with the requirement of IAS 19 "Employee benefits". Accordingly, provision has been made in these financial statements to cover obligation in accordance with actuarial recommendation are as follows:

		June 30, 2025	June 30, 2024
	Note	----- (Rupees in '000) -----	
Net liability in the statement of financial position			
Present value of defined benefit obligation	19.1.3	<u>434,676</u>	<u>355,866</u>
19.1.2 Expense recognised in the statement of profit or loss and other comprehensive income			
- Recognised in statement of profit or loss			
Current service cost		77,418	61,342
Interest cost		46,489	38,069
		<u>123,907</u>	<u>99,411</u>
- Recognised in other comprehensive income			
Actuarial loss on defined benefit obligation		<u>14,152</u>	<u>46,462</u>
19.1.3 Movement in defined benefit obligation during the year			
Opening balance		355,866	273,427
Current service cost		77,418	61,342
Interest cost		46,489	38,069
Actuarial loss		14,152	46,462
Benefits paid		(59,249)	(63,434)
Closing balance		<u>434,676</u>	<u>355,866</u>

19.1.4 The principal assumptions used in the valuation of defined benefit obligation (Workmen - Defined benefit scheme) are:

	June 30, 2025	June 30, 2024
Discount rate (% per annum)	12.25	14.25
Expected rate of salary increase (% per annum)	12.25	14.25
Mortality rate	Adjusted SLIC 2001-05	Adjusted SLIC 2001-05
Expected withdrawal rate for actuarial assumptions	Moderate	Moderate

19.1.5 Sensitivity analysis

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions are:

		Impact on obligation	
		Increase in assumption	Decrease in assumption
For current year		----- (Rupees in '000) -----	
Discount rate	1%	(42,742)	50,939
Expected rate of salary increase	1%	52,589	(44,827)
Withdrawal limited	10%	21,621	(23,516)
Mortality rate	1 year	(333)	330

	Impact on obligation	
	Increase in assumption	Decrease in assumption
	----- (Rupees in '000) -----	

For comparative year

Discount rate	1%	(34,932)	41,573
Expected rate of salary increase	1%	42,909	(36,616)
Withdrawal limited	10%	17,701	(19,252)
Mortality rate	1 year	(273)	270

The sensitivity analysis are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the liability for gratuity recognised within the statement of financial position.

19.1.6 The scheme exposes the Company to the actuarial risks such as:

Salary risks

The risks that the final salary at the time of cessation of service is higher than what was assumed. Since the benefit is calculated on the final salary, the benefit amount increases similarly.

Mortality / withdrawal risks

The risks that the actual mortality / withdrawal experience is different. The effect depends upon the beneficiaries' service / age distribution and the benefit.

Longevity risks

The risk arises when the actual lifetime of the retirees is longer than expectation. This risk is measured at the plan level over the entire retiree population.

19.1.7 The weighted average duration of the defined benefit obligation is year 10.61 years (June 30, 2024: 10.80 years).

19.1.8 The expected maturity analysis of undiscounted retirement benefit obligation is:

	Undiscounted payments	
	June 30, 2025	June 30, 2024
	----- (Rupees in '000) -----	
Year 1	24,362	20,534
Year 2	29,341	25,340
Year 3	33,552	29,525
Year 4	36,982	32,936
Year 5	39,704	35,626
Year 6 and above	679,869	643,880

19.1.9 There are no plan assets against defined benefit obligation.

		June 30, 2025	June 30, 2024
	Note	----- (Rupees in '000) -----	
Opening balance		94,363	148,564
(Reversal) / charge	19.1.11	4,983	(219)
Payment		(30,416)	(53,982)
Closing balance		<u>68,930</u>	<u>94,363</u>

19.1.11 During the year no provision has been recognised for non-workmen staff since from the year June 30, 2025 and onwards the Company has changed its policy for non-workmen staff who now will be entitled for provident fund instead of gratuity fund. The closing balance reflect the gratuity due as at June 30, 2025 for the staff and will be paid accordingly.

19.2 Deferred taxation

June 30, 2025				
As at the beginning of the year	Statement of profit or loss	Other comprehensive income / Revaluation Surplus	Reversal of deferred Tax	As at the end of the year
(Rupees in '000)				

Movement for the year ended June 30, 2024

Deferred tax liabilities on taxable temporary differences arising in respect of :

Operating fixed assets
Surplus on revaluation of operating fixed assets
Trade debts

Deferred tax assets on deductible temporary differences arising in respect of :

Intangible assets
Defined benefit obligations
Leave encashment
Provision for doubtful debts
Provision for stores, spares and loose tools
Accrued Profit on Term Deposit Receipt
Unrealised gain on short term investment
Capital losses on securities u/s 37A
Unused tax losses

424,415	177,910	-	-	602,325
572,265	(28,613)	2,070,193	-	2,613,845
-	-	-	-	-
996,680	149,297	2,070,193	-	3,216,170
(253)	(714)	-	-	(967)
(37,450)	(108,209)	(1,863)	-	(147,522)
(345)	(784)	-	-	(1,129)
(304)	(11,915)	-	-	(12,219)
(1,659)	(4,127)	-	-	(5,786)
-	-	-	-	-
165,531	880,589	-	-	1,046,120
(17,725)	-	-	-	(17,725)
(396,356)	(781,426)	-	-	(1,177,782)
708,119	122,711	2,068,330	-	2,899,160

June 30, 2024				
As at the beginning of the year	Statement of profit or loss	Other comprehensive income / Revaluation Surplus	Reversal of deferred Tax	As at the end of the year
----- (Rupees in '000) -----				

Movement for the year ended June 30, 2024

Deferred tax liabilities on taxable temporary differences arising in respect of :

Operating fixed assets
Surplus on revaluation of operating fixed assets
Trade debts

Deferred tax assets on deductible temporary differences arising in respect of :

Intangible assets
Defined benefit obligations
Leave encashment
Provision for doubtful debts
Provision for stores, spares and loose tools
Unrealised gain/ loss on short term investment
Capital losses on securities u/s 37A
Unused tax (losses) / gain

580,732	(156,317)	-	-	424,415
936,549	(46,294)	(317,990)	-	572,265
49,996	(49,996)	-	-	-
1,567,277	(252,607)	(317,990)	-	996,680
771	(1,024)	-	-	(253)
(27,573)	(6,012)	(3,865)	-	(37,450)
(391)	46	-	-	(345)
(1,423)	1,119	-	-	(304)
(2,582)	923	-	-	(1,659)
(52,245)	217,776	-	-	165,531
-	(17,725)	-	-	(17,725)
(548,254)	151,898	-	-	(396,356)
935,580	94,394	(321,855)	-	708,119

19.2.1 During the year, due to the change in tax treatment of export income under Section 154 from Final Tax Regime (FTR) to Normal Tax Regime (MTR), the Company reassessed its deferred tax base in accordance with IAS 12. Depreciation and amortization previously disallowed under FTR have now been added back to the tax base, resulting in a reduction in taxable temporary differences and an increase in deferred tax liability.

The adjustment was derived from the last ten years' income tax returns submitted to the Federal Board of Revenue (FBR). The entity-wise breakdown of disallowed depreciation and amortization is as follows:

Entity	Depreciation	Amortization	Total
ILTM	626,836	2,136	628,972
SALT	412,034	2,940	414,974
TATM	2,382,506	10,771	2,393,277
Total	3,421,377	15,847	3,437,223

Following the transition to MTR, deferred tax is now recognized at the applicable corporate tax rate of 29%, in line with the revised tax base and applicable tax treatment.

19.2.2 No deferred tax asset has been recognized on the minimum tax amounting to PKR 678.450 million as per section 113, adopting a conservative approach, in view of the uncertainty surrounding future taxable income and the limited carry-forward periods, in accordance with the requirements of IAS 12 - Income Taxes.

20. TRADE AND OTHER PAYABLES

		June 30, 2025	June 30, 2024
	Note	----- (Rupees in '000) -----	
Creditors	20.1	520,089	626,428
Accrued liabilities	20.2 & 20.3	2,058,509	1,365,136
Provident fund payable		11,336	9,412
Contract liabilities		22,756	48,047
Gas charges payable		2,956	184,520
Withholding income tax		28,980	22,300
Foreign bills payable		184,490	158,002
Sales tax payable		30,934	9,272
Workers' profit participation fund	20.4	575	14,415
Workers' welfare fund		-	47,387
Others	20.5	518,605	518,605
		3,379,230	3,003,524

20.1 Creditors are non-interest bearing and are normally settled between 30 to 45 days terms.

20.2 This includes Rs. 1,256.12 million (June 30, 2024: Rs. 866.83 million) provision for Sindh Development and Infrastructure Cess which was levied by the Excise and Tax Department of Government of Sindh on goods entering or leaving the province through air or sea at prescribed rate under Sindh Finance Ordinance, 2001. The levy was challenged by the Company along with other companies in Sindh High Court (SHC). SHC through its interim order passed on May 31, 2011 ordered that for every consignment cleared after December 28, 2006, 50% of the value of infrastructure cess should be paid in cash and a bank guarantee for the remaining amount should be submitted until the final order is passed. The management is confident for a favorable outcome, however, as a matter of prudence Company has paid Rs. 516.68 million (50%) of the value of infrastructure cess in cash and recorded liability for the remaining amount which is supported by a bank guarantee. The Sindh High Court passed an order on June 4, 2021 for settlement of remainder of Infrastructure Cess against which the Company has filed an appeal in Supreme Court and the Company's legal counsel expects that the matter will be decided in favour of the Company. Subsequently Supreme Court has passed an interim order on September 9, 2021 that all consignments are to be released after production of 100% bank guarantee till final disposal of the case.

20.3 This includes provision of Rs. 78.28 million (June 30, 2024: 78.28 million) which relates to the amalgamated company Tata Energy Limited (TEL), Late Payment Surcharge on differential of rate for Captive Power Producer (CPP) and Independent Power Producer (IPP) claimed by Sui Southern Gas Company Limited (SSGCL) on gas bills have not been accounted for in the financial statements since 2009 but adequate provision has been made in this regard. TEL along with other power generation companies filed a suit in the High Court of Sindh (single bench) against this claim as they were contesting that all the companies were IPPs.

The High Court of Sindh in its order dated June 30, 2015 declared that all these companies are not IPPs. The plaintiff preferred intra court appeal which was also turned down vide order dated August 18, 2016 and thereafter filed civil petition before Supreme Court of Pakistan which is still pending adjudication.

Amalgamated Company also filed a suit in the High Court of Sindh in respect of late payment surcharge charged on the bills for the month of July and August 2017. The Court in its interim order dated August 17, 2017 has suspended the demand of late payment surcharge on those bills till next hearing.

20.4 Workers' Profit Participation Fund

		June 30, 2025	June 30, 2024
	Note	----- (Rupees in '000) -----	
Opening balance		14,415	2,176
Allocation for the year	28	105,400	14,415
Interest on funds utilised in the Company's business	20.4.1	411	132
		120,226	16,723
Payments made to the fund		(119,651)	(2,308)
Closing balance		575	14,415

20.4.1 Interest on funds utilised is charged at the rate of 23% (June 30, 2024: 37.50%) per annum.

21. INTEREST / MARK UP ACCRUED

		June 30, 2025	June 30, 2024
	Note	----- (Rupees in '000) -----	
Long term finance		136,424	156,986
Short term borrowings	21.1	308,906	517,840
		445,330	674,826

21.1 This includes markup accrued on borrowings obtained under Islamic financing arrangements amounting to Rs. 81.09 million (June 30, 2024: Rs. 190.85 million).

22. SHORT TERM BORROWINGS

		June 30, 2025	June 30, 2024
	Note	----- (Rupees in '000) -----	
From banking companies - secured			
Running finance / cash finance	22.1 & 22.5	11,173,924	9,390,575
Finance against import	22.2 & 22.6	8,245,141	3,629,049
Finance against export	22.3	-	123,100
	22.4	19,419,065	13,142,724

22.1 These are subject to markup at the rate of 1- 6 months' KIBOR plus spread ranging between 0.5% to 1.25% per annum (June 30, 2024: 1- 6 months' KIBOR plus spread ranging between 0.5% to 1.25% per annum). These facilities are secured against pledge of stock and joint pari passu charge over current assets.

22.2 These facilities are secured against pledge of imported cotton stock and trust receipts. These facilities are subject to markup at the rate of 1 - 6 months' KIBOR plus spread ranging between 0.50% to 1.25% per annum (June 30, 2024: markup at the rate of 1 - 6 months' KIBOR plus spread ranging between 0.50% to 1.25% per annum).

These facilities also include Foreign Exchange (FE-25) Import Financing subject to mark-up based on rate ranging between 5.6% - 6.95% per annum (June 30, 2024: mark-up based on rate ranging between 8% - 11% per annum). These facilities are secured against pledge of stock.

22.3 These are subject to mark-up based on the rate ranging between 4% to 5% (June 30, 2024: mark-up based ranging between 6% to 7.5%). These facilities are secured against joint pari passu over present and future current assets of the company.

22.4 Total facilities available from various commercial banks amounts to Rs. 28,530 million (June 30, 2024: Rs. 25,075 million) out of which the aggregate unavailed short term facilities amounted to Rs. 9,111 million (June 30, 2024: Rs. 11,932 million).

22.5 This includes outstanding running finance amounting to Rs. 3,449 million (June 30, 2024: Rs. 3,535 million) obtained under an Islamic mode of financing.

22.6 This includes outstanding finance against import amounting to Rs. 2,167.94 million (June 30, 2024: Rs. 2,137.81 million) obtained under an Islamic mode of financing.

22.7 Reconciliation of liabilities arising from short term financing activities

The table below details changes in the Company's liabilities arising from the financing activities, including both cash and non-cash changes, if any. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Company's condensed interim statement of cash flows as cash flows from financing activities.

	June 30, 2025			
	July 01, 2024	Obtained during the year	(Repaid) during the year	June 30, 2025
	----- (Rupees in '000) -----			
Running finance / cash finance	9,390,575	22,561,746	(20,778,397)	11,173,924
Finance against import	3,629,049	14,072,873	(9,456,781)	8,245,141
Finance against export	123,100	132	(123,232)	-
	13,142,724	36,634,751	(30,358,410)	19,419,065
	June 30, 2024			
	July 01, 2023	Obtained during the year	(Repaid) during the year	June 30, 2024
	----- (Rupees in '000) -----			
Running finance / cash finance	9,737,231	2,217,050	(2,563,706)	9,390,575
Finance against import	4,276,569	10,662,544	(11,310,064)	3,629,049
Finance against export	-	896,742	(773,642)	123,100
	14,013,800	13,776,336	(14,647,412)	13,142,724

23. CONTINGENCIES AND COMMITMENTS

23.1 Contingencies

There are no contingencies to report as at June 30, 2025 and June 30, 2024.

23.2 Commitments

	Note	June 30, 2025	June 30, 2024
		----- (Rupees in '000) -----	
i) Civil works		298,823	358,163
ii) Letters of credits against:			
Plant and machinery		914,279	39,663
Stores and spares		93,341	262,650
Raw material		997,067	3,210,561
		2,004,687	3,512,874
iii) Bank guarantees issued on behalf of the Company	23.2.1	2,099,803	1,660,866
iv) Bills discounted:			
Export		397,176	183,250
Local		1,364,188	936,506
		1,761,364	1,119,756
v) Outstanding sales contract		4,107,851	3,222,165

23.2.1 This includes bank guarantee related to Sindh Development Infrastructure Cess amounting to Rs.1,269.10 million (June 30, 2024: Rs. 886.10 million).

24. REVENUE FROM CONTRACT WITH CUSTOMERS - NET

Export sales

Yarn
Yarn (Indirect exports)
Yarn (Export Finance Scheme)
By-product

Local sales

Yarn
Raw material
By-product

Sales tax

24.1 Following are the details of sales jurisdiction-wise:

Asia
Europe

25. COST OF GOODS SOLD

Cost of goods manufactured
Finished goods (including waste):

Opening balance
Yarn Purchase
Closing balance

Cost of goods sold
Cost of raw material sold

25.1 Cost of goods manufactured

Raw material consumed
Stores and spares consumed
Packing material consumed
Power and fuel
Staff salaries and benefits
Depreciation
Amortisation
Insurance
Repairs and maintenance
Other overheads

Work in process:

Opening balance
Closing balance

Note	June 30, 2025	June 30, 2024
	----- (Rupees in '000) -----	
	1,646,378	2,549,516
	4,649,510	22,866,765
	6,902	13,437,706
	-	76,601
	6,302,790	38,930,588
	38,886,364	9,066,306
	151,573	17,399
	3,024,413	3,058,874
	42,062,350	12,142,579
	(7,125,210)	(5,249,467)
24.1	41,239,930	45,823,700
	41,239,930	45,747,099
	-	76,601
	41,239,930	45,823,700
	39,598,243	40,722,689
	2,621,355	4,370,661
	8,685	-
9	(3,407,841)	(2,621,355)
	(777,801)	1,749,306
	38,820,442	42,471,995
	128,671	14,477
	38,949,113	42,486,472
	30,984,678	33,420,794
	1,133,126	909,390
	426,285	398,983
	3,724,040	3,243,498
	2,179,263	1,744,367
25.1.2	826,056	793,405
6.1.1	1,881	2,233
7.1	87,873	80,538
	76,322	71,189
	47,671	38,030
	39,487,195	40,702,427
	461,065	481,327
9	(350,017)	(461,065)
	111,048	20,262
	39,598,243	40,722,689

		June 30, 2025	June 30, 2024
25.1.1	Raw material consumed during the year	Note	----- (Rupees in '000) -----
	Opening balance		6,070,492
	Purchases		35,266,688
			41,337,180
	Closing balance	9	(10,352,502)
			30,984,678
			33,420,794

25.1.2 Staff salaries and benefits includes Rs.124.52 million (2024: Rs. 98.99 million) in respect of defined benefit plan and Rs. 35.70 million (2024: Rs. 30.20 million) in respect of defined contribution plan.

		June 30, 2025	June 30, 2024
26.	DISTRIBUTION COST	Note	----- (Rupees in '000) -----
	Brokerage and commission		162,239
	Staff salaries and benefits	26.1	39,723
	Inland freight on export		7,548
	Export development surcharge		4,005
	Miscellaneous export expenses		10,382
	Ocean freight		6,738
	Local freight and handling		203,937
	Wharfage		3,936
	Forwarding charges		399
	Postage and telegram		-
	Bank charges		3,157
	Others		453
			442,517
			488,492

26.1 Staff salaries and benefits include Rs.2.49 million (2024: Rs.1.47 million) in respect of defined contribution plan.

		June 30, 2025	June 30, 2024
27.	ADMINISTRATIVE EXPENSES	Note	----- (Rupees in '000) -----
	Staff salaries and benefits	27.1	436,096
	Directors' remuneration		51,440
	Directors' meeting fee		9,150
	Rent, rates and taxes		352
	Travelling and conveyance		5,301
	Legal and professional		13,920
	Fees and subscription		39,313
	Depreciation	6.1.1	57,416
	Amortisation	7.1	2,415
	Vehicles running		6,149
	Repairs and maintenance		2,563
	Printing and stationery		2,982
	Postage and telephone		10,751
	Utilities		15,993
	Insurance		6,250
	Advertisement		-
	Auditors' remuneration	27.2	3,328
	Donations	27.3	35,476
	Bad debts expense	10.3	38,486
	Others		2,158
			739,539
			592,794

27.1 Staff salaries and benefits includes Rs.0.54 million (2024: Rs. 0.20 million) in respect of defined benefit plan and Rs.22.14 million (2024: Rs. 20.56 million) in respect of defined contribution plan.

		June 30, 2025	June 30, 2024
27.2	Auditors' remuneration	----- (Rupees in '000) -----	
	Statutory audit fee	2,299	2,090
	Half yearly review	453	412
	Review of Statement of compliance of code of corporate governance	273	248
	Out of pocket expenses	303	275
		3,328	3,025

27.3 Donation charged in these financial statements is paid to The Aga Khan Hospital & Medical College Foundation Rs.10 million, Indus hospital Rs.7.5 million, Baitul Sukoon Trust Cancer Hospital Rs.4.5 million, Developments in Literacy Rs.4.5 million.

It also includes donation to Textile Institute of Pakistan amounting to Rs. 0.631 where a director of the company is a member of member of the governing body.

		June 30, 2025	June 30, 2024
28.	OTHER OPERATING EXPENSES	Note	----- (Rupees in '000) -----
	Realised foreign exchange loss - net		114,803
	Loss from agriculture farm - net	28.1	-
	Workers' welfare fund		(25,844)
	Workers' profit participation fund		105,400
	Other Operating Expense Sales Tax		62,346
			256,705
			61,560

28.1 It pertains to agricultural activities involving crop cultivation on the farm, with corresponding income and expenses of Rs. Nil million and Rs. Nil million, respectively (2024: Rs. 1.62 million income and Rs. 5.02 million expenses).

		June 30, 2025	June 30, 2024
29.	FINANCE COST - NET	Note	----- (Rupees in '000) -----
	Interest / mark-up on:		
	Long term finances		644,309
	Short term borrowings	29.1	2,818,385
	Workers' profit participation fund		411
			3,463,105
			4,296,263
	Letters of credit discounting charges		167,197
	Bank guarantee commission		19,862
	Bank charges		16,041
			3,666,205
			4,612,209
	Less: borrowing cost capitalised	6.2	(56,313)
			3,609,892
			4,497,410

29.1 This includes finance cost on borrowings obtained under Islamic modes of financing amounting to Rs. 836.26 million (June 30, 2024: Rs. 1,430.22 million.)

		June 30, 2025	June 30, 2024
30.	OTHER INCOME - NET		
	Profit on term deposit receipts	210,359	150,048
	Profit on savings accounts	218	61
	Profit on Investment Govt. Tbills	574,233	-
	Gain on disposal of operating fixed assets - net	35	4,336
	Realised gain on forward contracts - net	-	19,395
	Dividend income	558,538	574,028
	License income from associated company	1,424	1,424
	Unrealised gain on revaluation of other financial assets - net	3,302,523	1,805,165
	Realised gain on disposal of investment	138,584	21,229
	Recovery of bad debts	-	3,000
		4,785,914	2,578,686

30.1 This includes profit earned on Shariah-compliant bank balances amounting to Rs. 1,605 (June 30, 2024: Nil)

	June 30, 2025	June 30, 2024
31. FINAL TAXES	Note ----- (Rupees in '000) -----	
Final taxes on:		
- export sales	-	331,824
- dividend income	83,781	86,104
31.1	83,781	417,928

31.1 These represent final taxes paid on export sales and dividend income as per section 154 and section 5 of the Income Tax Ordinance, 2001 respectively, and are recognised as levy in line with the requirements of IFRIC 21 / IAS 37 and guide on IAS 12 issued by ICAP.

	June 30, 2025	June 30, 2024
32. REVENUE TAXES	Note ----- (Rupees in '000) -----	
Minimum taxes	515,499	129,766
Super tax	94,543	186,836
32.1	610,042	316,602

32.1 These represent provision for minimum tax and super tax under sections 113 and 4C, respectively, of the Income Tax Ordinance, 2001. The provision for minimum tax and super tax has been recognised as levies in these financial statements as per the requirements of IFRIC 21 / IAS 37 and guide on IAS 12 issued by ICAP.

	June 30, 2025	June 30, 2024
33. INCOME TAX - NET	Note ----- (Rupees in '000) -----	
Current for the year	31,738	-
prior year	66,655	645
	98,393	645
Deferred	122,711	94,394
	221,104	95,039

33.1 Relationship between tax expense and accounting profit

Profit / (Loss) before income tax	1,334,253	(458,872)
Tax at applicable rate of 29% (2024: 29%)	386,933	-
Impact of adjustment of prior period minimum tax	66,655	645
Tax effect of income under minimum tax regime representing levies as per IFRIC 21	515,499	129,766
Tax effect of final tax regime representing levies as per IFRIC 21	-	331,824
Tax effect on dividend income representing levies as per IFRIC 21	83,781	86,104
Effect of super tax	94,543	186,836
Others	(926,307)	(640,136)
	221,104	95,039

33.2 During the year, Government of Pakistan via Finance Bill 2024 abolished final tax regime (FTR) and replaced the same with minimum tax regime (MTR) in case of export of goods. Consequent to the amendment, exporter of goods will be liable to pay tax on taxable income at the corporate tax rate i.e. 29% or 1% of export value collected as withholding tax, whichever is higher. The option to opt out of final tax regime, previously available, is also omitted.

The above amendment may have significant implications on company's current taxation in future years when the pattern of sales is different from current year. Further during the year the amendments resulted in significant revision of deferred tax computation as it is now computed based at corporate tax rate i.e. 29% as compared to previous year when minimum tax was considered as full and final discharge of tax liability and deferred tax was recognised based on a ratio of final tax regime (FTR) and normal tax regime (NTR), calculated from the average revenue of the past three years.

However, considering the regime change for export sales from FTR to MTR, deferred tax is now recognised solely based on the NTR ratio. This approach complies with paragraph 47 of IAS 12, which stipulates that deferred tax assets and liabilities shall be measured at the tax rates expected to apply when the asset is realised or the liability is settled, based on tax rates that have been enacted or substantively enacted by the end of the reporting period.

Consequently the Company has computed a revised deferred tax liability after adjusting the rate applied.

	June 30, 2025	June 30, 2024
34. EARNINGS / (LOSS) PER SHARE - BASIC AND DILUTED		
There is no dilutive effect on the basic earnings per share of the Company which is based on :		
Profit / (Loss) for the year (Rupees in '000)	1,113,151	(553,911)
Weighted average ordinary shares outstanding during the year (Numbers in '000)	55,994	55,994
Earnings / (Loss) per share (Rupees)	19.88	(9.89)

	June 30, 2025	June 30, 2024
35. CASH AND CASH EQUIVALENTS	Note ----- (Rupees in '000) -----	
Cash and bank balances	14 278,426	348,326
Running / cash finances	22.1 (11,173,924)	(9,390,575)
	(10,895,498)	(9,042,249)

36. REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

The aggregate amount charged in these financial statements in respect of remuneration and benefits to the Chief Executive, Director and Executives are as follows:

	June 30, 2025			June 30, 2024		
	Chief Executive	Director	Executives	Chief Executive	Director	Executives
	----- (Rupees in '000) -----					
Managerial remuneration	23,720	17,400	385,064	22,320	14,400	316,061
Performance bonus / Ex-gratia	2,790	1,800	26,034	2,325	1,500	20,396
Retirement benefits	1,858	1,331	26,704	1,861	1,201	23,093
Utilities	2,541	-	-	2,449	-	-
	30,909	20,531	437,802	28,955	17,101	359,550
	----- (Number) -----					
Persons	1	1	97	1	1	89

36.1 The Chief Executive and Executive Director are entitled for use of car owned and maintained by the Company.

36.2 An amount of Rs.9.15 million (2024: Rs. 7.45 million) has been charged in these financial statements in respect of fees paid to Directors for attending the board and its committee meetings.

	June 30, 2025	June 30, 2024
37. PLANT CAPACITY AND ACTUAL PRODUCTION		
Spindles installed (Number)	127,092	127,092
Spindles worked (Number)	123,107	124,635
Shifts per day (Number)	3	3
Installed capacity after conversion into 20/s count-kgs (Number in '000)	45,729	47,064
Actual production of yarn after conversion into 20/s count-kgs (Number in '000)	45,174	45,516

It is difficult to describe precisely the production capacity in the textile industry since it fluctuates widely depending on various factors such as count of yarn spun, spindles speed, twist per inch, raw material used, etc.

	June 30, 2025	June 30, 2024
38. NUMBER OF EMPLOYEES	----- (Number) -----	
Average during the year	3,122	3,169
As at	3,020	3,162

39. TRANSACTIONS WITH RELATED PARTIES

The related parties comprise associated undertakings, directors, key management personnel and their relatives. The Company carries out transactions with various related parties at agreed rates. Details of related parties (with whom the Company has transacted) along with relationship and transactions with related parties, other than those which have been disclosed elsewhere in these financial statements, are as follows:

39.1 Name and nature of relationship

Associated Companies due to common directorship:

- Tata Best Foods Limited
- Textile Institute of Pakistan
- Upcrop (Private) Limited

		June 30, 2025	June 30, 2024
		----- (Rupees in '000) -----	
Relationship with the party	Nature of transactions		
Associated undertaking	License income from associated company	1,424	1,424
Directors	Dividend paid	-	126,902
Staff retirement funds	Expense charged to Provident fund Provident fund payable	63,524 11,336	55,297 9,412

40. FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES

40.1 Financial instrument by category

Financial assets as per statement of financial position

	June 30, 2025	June 30, 2024
	----- (Rupees in '000) -----	
At amortised cost:		
Long term deposits	4,727	4,727
Trade debts	5,970,491	6,939,535
Other financial assets	1,591,132	1,109,617
Other receivables	265,700	170,617
Cash and bank balances	278,426	348,326
	8,110,476	8,572,822
At fair value:		
Investment in listed securities	6,164,723	3,428,401
	14,275,199	12,001,223

Financial liabilities as per statement of financial position

At amortised cost:		
Long term finance (Inclusive of current portion)	6,324,931	4,442,788
Trade and other payables	3,295,985	2,862,102
Unclaimed dividend	22,422	24,380
Interest / markup accrued on borrowings	445,330	674,826
Short term borrowings	19,419,065	13,142,724
	29,507,733	21,146,820

40.2 Financial risk management

40.2.1 Financial risk factors

Introduction and overview

The Company has exposure to the following risks from financial instruments:

- market risk
- credit risk
- liquidity risk

This note presents information about the Company's exposure to each of the above risks, Company's objectives, policies and processes for measuring and managing risk and fair value of financial instruments.

Financial risk factors and risk management framework

The Board of Directors (the Board) has overall responsibility for the establishment and oversight of the Company's financial risk management. The responsibility includes developing and monitoring the Company's risk management policies. To assist the Board in discharging its oversight responsibility, management has been made responsible for identifying, monitoring and managing the Company's financial risk exposures. The Company's exposure to the risks associated with the financial instruments and the risk management policies and procedures are summarised as follows:

40.2.2 Market risk

Market risk is the risk that the value of the financial instrument may fluctuate as a result of changes in market interest rates, foreign exchange rates or the equity prices due to a change in credit rating of the issuer or the instrument, change in market sentiments, speculative activities, supply and demand of securities and liquidity in the market.

Under market risk the Company is exposed to currency risk, interest rate risk and other price risk (equity price risk).

a) Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Currency risk arises mainly where receivables and payables exist due to transactions entered in foreign currencies. The Company is exposed to foreign currency risk on sales, purchases and borrowings, which, are entered in a currency other than Pak Rupees. As at reporting date, the financial assets and liabilities exposed to currency risk are as follows:

	June 30, 2025	June 30, 2024	June 30, 2025	June 30, 2024
	----- (USD) -----		----- (PKR in '000) -----	
Trade debts	203,057	4,991	57,587	1,389
Foreign currency bank balances	28,305	773	8,027	215
Foreign bills payable	(650,529)	(567,740)	(184,490)	(158,002)

The following significant exchange rates applied during the year:

	Average rates		Reporting date rates	
	June 30, 2025	June 30, 2024	June 30, 2025	June 30, 2024
	----- (Rupees in '000) -----			
US Dollars to PKR	279.69	278.84	283.60	278.30

As at June 30, 2025, if the Pakistani Rupee had weakened / strengthened by 10% against the US Dollars with all variables held constant, profit or loss for the year would have been lower / higher by Rs.12 million (June 30, 2024: Rs.16 million). This analysis assumes that all other variables, in particular interest rates, remain constant. The analysis is performed on the same basis as in previous year.

b) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Company's interest rate risk arises from bank deposit accounts, long term finance, term deposit receipts and short term borrowings amounting to Rs.25,743 million (financial liabilities on a net basis) (June 30, 2024: Rs.17,585 million). These are benchmarked to variable rates which exposes the Company to cash flow interest rate risk only.

Variable rate instruments

Financial assets:

Saving accounts with banks

Financial liabilities:

Long term finance

Short term borrowings

Net financial liabilities at variable interest rates

Carrying amount	
June 30, 2025	June 30, 2024
----- (Rupees in '000) -----	
587	27
6,324,931	4,442,788
19,419,065	13,142,724
(25,743,996)	(17,585,512)
(25,743,409)	(17,585,485)

Cash flow sensitivity analysis for variable rate instruments

A change of 100 basis points in interest rates at the year end would have increased or decreased the profit for the year and shareholder's equity by Rs.257.43 million (June 30, 2024: Rs. 175.85 million). This analysis assumes that all other variables remain constant. The analysis is performed on the same basis as for 2025.

Fixed rate instruments

Financial assets:

Term deposit receipts

June 30, 2025	June 30, 2024
----- (Rupees in '000) -----	
1,591,132	1,109,617

c) Equity price risk

Equity price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from currency risk or interest rate risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. As at year end, there are no financial instruments other than investment in listed securities that are subject to equity price risk.

A reasonably possible change of 5% increase or decrease in fair values at the reporting date would have increased / decreased the income statement by Rs.308.24 million (June 30, 2024: Rs.171 million) and consequently financial instruments would be affected by the same amount. The analysis assumes that all other variables remain constant.

40.2.3 Credit risk and concentration of credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss, without taking into account the fair value of any collateral. Concentration of credit risk arises when a number of counter parties are engaged in similar business activities or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations of credit risk indicate the relative sensitivity of the Company's performance to developments affecting a particular industry. The Company does not have any significant exposure to customers from any single country or single customer.

Credit risk of the Company arises principally from long term deposits, trade debts, other receivables, other financial assets and bank balances. The carrying amount of financial assets represents the maximum credit exposure.

The maximum exposure to credit risk at the reporting date is as follows:

Long term deposits

Trade debts

Other receivables

Other financial assets

Bank balances

June 30, 2025	June 30, 2024
----- (Rupees in '000) -----	
4,727	4,727
5,970,491	6,939,535
265,700	170,617
1,591,132	1,109,617
277,373	345,829
8,109,423	8,570,325

The credit risk on liquid funds (bank balances) is limited because the counter parties are banks with a reasonably high credit rating.

Name of bank

Allied Bank Limited

Askari Bank Limited

Bank Alfalah Limited

Bank of Punjab

BankIslami Pakistan Limited

Bank Al Habib

Bank of Khyber

Dubai Islamic Bank Pakistan Limited

Faysal Bank Limited

Habib Metropolitan Bank Limited

Habib Bank Limited

JS Bank Limited

Meezan Bank Limited

MCB Bank Limited

National Bank of Pakistan

Samba Bank Limited

Soneri Bank Limited

Credit rating

Short term	Long term
A1+	AAA
A1+	AA+
A1+	AAA
A1+	AA+
A1	AA-
A1+	AAA
A1	A+
A1+	AA
A1+	AA
A1+	AA+
A1+	AAA
A1+	AA
A1+	AAA
A1+	AAA
A1	AA
A1+	AA-

Credit risk related to receivables

The Company has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. The Company's exposure is continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties. Credit exposure is controlled by counterparty limits that are reviewed and approved by the management annually.

Trade debts consist of a large number of customers, spread across geographical areas. Ongoing credit evaluation is performed on the financial condition of accounts receivable, where appropriate. The Company does not have any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics.

The Company always measures the provision for doubtful debts for trade debts at an amount equal to lifetime ECL using the simplified approach. The expected credit losses on local trade debts are estimated using a provision matrix by reference to past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for factors that are specific to the debtors, general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of conditions at the reporting date. The Company has recognised a loss allowance of Rs. 42.133 million (June 30, 2024: Rs. 3.64 million) against all local trade debts.

The Company has not recognised any provision for expected credit losses on other receivables as it includes income from term deposit receipts, receivable from Nazir High Court and LC margin receivable.

Credit risk related to other assets

Credit risk from other assets primarily relates to Company's investment in term deposits issued by bank (Note 12). The risk is managed through ensuring that investments are made in instruments issued by reputed banks with good credit ratings. Loans to employees are secured against their defined benefit obligations balances. The credit rating of the investee banks is as follows:

Banks	Investment type	Long term rating	Short term rating
Allied Bank Limited	Term deposit receipt	AAA	A1+
Habib Bank Limited	Term deposit receipt	AAA	A1+
Soneri Bank Limited	Term deposit receipt	AA-	A1+
Bank Al-Habib Limited	Equity investment	AAA	A1+
Habib Bank Limited	Equity investment	AAA	A1+
MCB Bank Limited	Equity investment	AAA	A1+
United Bank Limited	Equity investment	AAA	A1+

Liquidity risk reflects the Company's inability in raising funds to meet commitments. Management closely monitors the Company's liquidity and cash flow position. This includes maintenance of liquidity ratios, debtors and creditors concentration both in terms of the overall funding mix and avoidance of undue reliance on large individual customer.

The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts. 83% (June 30, 2024: 82%) of the Company's debt will mature in less than one year at June 30, 2025 based on the carrying value of borrowings reflected in the financial statements.

Liquidity and interest risk table

The following table details the Company's remaining contractual maturity for its non-derivative financial liabilities. The table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The table includes both interest and principal cash flows.

June 30, 2025					
Average Interest rate	Less than 1 month	1 - 3 months	3 months - 1 years	1 - 5 years	More than 5 years
----- (Rupees in '000) -----					
3 month KIBOR plus 0.5% to 8%,					
Long term financing including current portion	189,280	342,659	1,502,705	4,125,146	165,140
					6,324,930
Trade and other payables	520,089	2,254,335	-	-	-
					2,774,424
Unclaimed dividend	22,422	-	-	-	-
					22,422
Interest / mark up accrued on loans	136,424	308,906	-	-	-
					445,330
Short-term borrowings					
Running finance / cash finance	-	11,173,926	-	-	-
					11,173,926
Finance against import / export	-	8,245,139	-	-	-
					8,245,139
	868,215	22,324,965	1,502,705	4,125,146	165,140
					28,986,171

June 30, 2024					
Average Interest rate	Less than 1 month	1 - 3 months	3 months - 1 years	1 - 5 years	More than 5 years
----- (Rupees in '000) -----					
3 month KIBOR plus 0.5% to 8%,					
Long term financing including current portion	122,450	99,135	839,431	2,257,312	1,124,460
					4,442,788
Trade and other payables	626,428	1,532,549	-	-	-
					2,158,977
Unclaimed dividend	24,380	-	-	-	-
					24,380
Interest / mark up accrued on loans	156,986	517,840	-	-	-
					674,826
Short-term borrowings					
Running finance / cash finance	-	9,390,575	-	-	-
					9,390,575
Finance against imports / export	-	3,752,149	-	-	-
					3,752,149
	930,244	15,292,248	839,431	2,257,312	1,124,460
					20,443,695

41. OPERATIONAL RISK

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the processes, technology and infrastructure supporting the Company's activities, either internally within the Company or externally at the Company's service providers, and from external factors other than credit, market and liquidity risks such as those arising from legal and regulatory requirements and generally accepted standards of operational behaviour. Operational risks arise from all of the Company's activities.

The Company's objective is to manage operational risk so as to balance limiting of financial losses and damage to its reputation while achieving its business objective and generating returns for investors.

Primary responsibility for the development and implementation of controls over operational risk rests with the management of the Company. This responsibility encompasses the controls in the following areas:

- requirements for appropriate segregation of duties between various functions, roles and responsibilities;
- requirements for the reconciliation and monitoring of transactions;
- compliance with regulatory and other legal requirements;
- documentation of controls and procedures;
- periodic assessment of operational risks faced, and the adequacy of controls and procedures to address the risks identified;
- ethical and business standards;
- risk mitigation, including insurance where this is effective; and
- operational and qualitative track record of the plant and equipment suppliers and related service providers.

42 FAIR VALUE MEASUREMENT

Fair value is the price that would be received to sell an asset or paid or transfer a liability in an orderly transaction between market participants and measurement date. Consequently, differences can arise between carrying values and the fair value estimates.

Underlying the definition of fair value is the presumption that the Company is a going concern without any intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.

Fair value hierarchy

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable.

The Company holds investment in listed securities classified as fair value through profit or loss and the fair value of such investments is based on quoted market prices as at June 30, 2025.

Level 1: fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

As at June 30, 2025, the Company holds investment in listed securities classified as fair value through profit or loss and the fair value of such investments is based on quoted market prices.

The Company's freehold land, buildings on freehold land, leasehold land, buildings on leasehold land, plant, machinery and electric installations are stated at revalued amounts, being the fair value at the date of revaluation, less any subsequent depreciation and subsequent accumulated impairment losses, if any. The fair value measurements of the Company's freehold land, building and plant and machinery as at June 30, 2022 were performed by M/s Iqbal A. Nanjee & Company (Private) Limited (valuer), independent valuer not related to the Company. The valuer is listed on panel of Pakistan Banks Association and they have appropriate qualification and experience in the fair value measurement of properties, plant and machinery. The fair values of the freehold land and leasehold land were determined by ascertaining the current market values of similar land, which are being sold in the near surroundings. The fair value of the buildings on freehold land and leasehold land was determined by carrying out the physical inspection of building with actual measurement and have worked out covered area of each building occupation wise with specification of civil works. The fair value of the plant, machinery and electric installations was determined by comparing the values of similar plants from various machinery dealers. In estimating the fair value of the assets, the highest and best use of the premises is its current use.

Details of Company's assets and liabilities measured at fair value and information about the fair value hierarchy as at end of June 30, 2025 and June 30, 2024 are as follows:

June 30, 2025			
Level 1	Level 2	Level 3	Total
----- (Rupees in '000) -----			
Non- financial assets measured at fair value:			
Freehold land	-	1,268,461	1,268,461
Buildings on freehold land	-	1,322,978	1,322,978
Leasehold land	-	4,233,555	4,233,555
Building on leasehold land	-	3,400,887	3,400,887
Plant and machinery and electric installations	-	14,141,400	14,141,400
-	-	24,367,281	24,367,281
June 30, 2025			
Level 1	Level 2	Level 3	Total
----- (Rupees in '000) -----			
Financial assets measured at fair value:			
Investment in listed securities	6,164,723	-	6,164,723
-	6,164,723	-	6,164,723
June 30, 2024			
Level 1	Level 2	Level 3	Total
----- (Rupees in '000) -----			
Non- financial assets measured at fair value:			
Freehold land	-	959,087	959,087
Buildings on freehold land	-	869,940	869,940
Leasehold land	-	3,485,230	3,485,230
Building on leasehold land	-	2,954,174	2,954,174
Plant and machinery and electric installations	-	12,305,515	12,305,515
-	-	20,573,946	20,573,946
June 30, 2024			
Level 1	Level 2	Level 3	Total
----- (Rupees in '000) -----			
Financial assets measured at fair value:			
Investment in listed securities	3,428,401	-	3,428,401
-	3,428,401	-	3,428,401

There were no transfers between levels of fair value hierarchy during the year.

43. CAPITAL RISK MANAGEMENT

The objectives of the Company when managing capital are to safeguard its ability to continue as a going concern so that it can continue to provide returns for shareholders and benefits for stakeholders, and to maintain a strong capital base to support the sustained development of its business. The Company is not subject to any externally imposed capital requirements.

The Company manages its capital structure by monitoring return on net assets and makes adjustments to it in the light of changes in economic conditions. In order to maintain or adjust the capital structure, the Company may adjust the dividend payment to the shareholders or issue new shares. The Company's overall strategy remains unchanged from previous year.

The gearing ratio as at June 30, 2025 and June 30, 2024 were as follows:

	June 30, 2025	June 30, 2024
	----- (Rupees in '000) -----	
Total debts	25,743,996	17,585,512
Cash and bank balances	(278,426)	(348,326)
Net debt	25,465,570	17,237,186
Total equity	23,692,262	20,932,714
Adjusted capital	49,157,832	38,169,900
	----- (%) -----	
Gearing ratio	51.80	45.16

44. CORRESPONDING FIGURES

Corresponding figures have been rearranged or reclassified, wherever necessary, for the purpose of better presentation. No significant rearrangement or reclassification was made in these financial statements during the year.

45. DATE OF AUTHORISATION FOR ISSUE

These financial statements have been approved by the board of directors of the Company and authorised for issue on August 08, 2025.

Shahid Anwar Tata
Chief Executive

Muhammad Zaid Kaliya
Chief Financial Officer

Adeel Shahid Tata
Director

Stakeholders Information

Pattern of Shareholding

As at June 30, 2025

No. of	Shareholding's Slab		Total Shares
Shareholders	From	To	Held
1404	1	100	60,581
1221	101	500	295,983
447	501	1000	301,405
504	1001	5000	1,014,804
70	5001	10000	514,061
21	10001	15000	282,354
14	15001	20000	264,038
8	20001	25000	193,684
6	25001	30000	173,775
4	30001	35000	132,386
4	45001	50000	199,425
1	50001	55000	50,090
4	55001	60000	230,188
1	60001	65000	60,255
2	65001	70000	131,459
2	70001	75000	145,200
1	75001	80000	80,000
1	85001	90000	87,100
1	95001	100000	100,000
1	120001	125000	120,500
1	145001	150000	150,000
1	160001	165000	165,000
1	195001	200000	200,000
1	250001	255000	252,572
1	270001	275000	275,000
3	280001	285000	852,337
1	285001	290000	289,000
1	380001	385000	382,500
1	475001	480000	479,013
1	710001	715000	710,500
1	1170001	1175000	1,174,554
1	2060001	2065000	2,063,192
1	2275001	2280000	2,276,152
1	4310001	4315000	4,310,670
1	4560001	4565000	4,561,607
1	4580001	4585000	4,582,485
1	28830001	28835000	28,831,744
3736			55,993,614

Categories of Shareholders

Categories of Shareholders	Number of	Number of	Percentage
	Shareholders	Shares Held	%
Directors, their Spouse(s) and Minor Children	9	42,794,559	76.43
NIT & ICP	6	2,373,862	4.24
Banks, Development Finance Institutions, Non-Banking Financial Institutions	2	4,768	0.01
Insurance Companies	3	11,576	0.02
Modarabas and Mutual Funds	4	1,493,061	2.67
Others	28	2,218,015	3.96
General Public-Foreign	5	8,723	0.02
General Public-Local	3,679	7,089,050	12.66
	3,736	55,993,614	100.00

Detail of Categories of Shareholders

Directors, Their Spouse(s) & Minor Children

	Number of	Number of
	Shareholders	Shares Held
Mr. Mazhar Valjee (Chairman/Director)	1	7,040
Mr. Shahid Anwar (Chief Executives)	1	28,831,744
Mr. Adeel Shahid Anwar (Director)	1	4,561,607
Mr. Bilal Shahid Anwar (Director)	1	4,582,485
Mr. Farooq Advani (Director)	1	500
Mr. Tayyeb Afzal (Director)	1	6,500
Ms.Samar Shahid (Director)	1	4,310,670
Mrs. Saiqa Shahid (W/o Mr. Shahid Anwar)	1	479,013
Mrs. Sara Adeel (W/o Mr. Adeel Shahid Anwar)	1	15,000
	9	42,794,559

Associated Companies, Undertakings and Related Parties

NIT & ICP

Investment Corporation of Pakistan	4	91,730
IDBL (ICP UNIT)	1	5,980
CDC - Trustee National Investment (Unit) Trust	1	2,276,152
	6	2,373,862

Banks, Development Financial Institutions, Non-Banking Financial Institutions

National Development Finance Corporation	1	3,223
National Bank of Pakistan	1	1,545
	2	4,768

Detail of Categories of Shareholders

Insurance Companies

M/s. Central Insurance Co. Ltd.	2	3,576
Ghaf Limited	1	8,000
	3	11,576

Modarabas and Mutual Funds

M/s. B.R.R Investment (Pvt) Limited	2	29,507
CDC - Trustee AKD Opportunity Fund	1	289,000
CDC - Trustee Golden Arrow Stock Fund	1	1,174,554
	4	1,493,061

Others

M/s Naseer Shahid Ltd.	1	23
M/s Securities & Exchange Authority.	1	1
M/s Naseer Shahid Ltd.	1	104
M/s The Administrator Abandoned Properties	1	260
Din Capital Limited	1	150,000
H & Rs International (SMC-private) Limited	1	10,000
Y.S. Securities & Services (Pvt) Ltd.	1	132
Fateh Textile Mills Ltd.	1	1,861
Trustee National Bank Of Pakistan Employees Pension Fund	1	252,572
Trustee National Bank Of Pakistan Emp Benevolent Fund Trust	1	8,864
LSE Capital Limited	1	2,500
Maple Leaf Capital Limited	1	6
Aimnaz (Private) Limited	1	5,000
Shields (Private) Limited.	1	200,000
NCC - Pre Settlement Delivery Account	1	2,500
Asda Securities (Pvt.) Ltd.	1	165,000
Fikrees (Private) Limited	1	33,190
Spectrum Securities Limited	1	2,000
Aba Ali Habib Securities (Pvt) Limited - MF	1	2,000
MRA Securities Limited - MF	1	382,500
Mohammad Munir Mohammad Ahmed Khanani Securities Ltd. - MF	1	710,500
N.U.A. Securities (Private) Limited - MF	1	7,500
Fawad Yusuf Securities (Private) Limited - MF	1	80,000
Trust Securities & Brokerage Limited - MF	1	58,000
Al-Habib Capital Markets (Private) Limited - MF	1	3,000
Salim Sozer Securities (Private) Limited	1	20,000
NH Capital (Private) Limited	1	2
Rafi Securities (Private) Limited - MF	1	120,500
	28	2,218,015

General Public

Foreign	5	8,723
Local	3,679	7,089,050
	3,684	7,097,773

Grand Total

3,736	55,993,614
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Shareholders Holding 10% or more

Shahid Anwar	28,831,744	51.49
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Shareholders Composition Over the Years



Notice of Annual General Meeting

Notice is hereby given that the Thirty-Nine (39th) Annual General Meeting (AGM) of the Shareholders of Tata Textile Mills Limited (the Company) will be held on Tuesday, October 21, 2025, at 11:00 am. at the Institute of Chartered Accountants of Pakistan (ICAP) Auditorium, Chartered Accountants Avenue, Clifton, Karachi / video link to transact the following businesses:

Ordinary Business

- To receive, consider and adopt the Annual Audited Financial Statements of the Company for the year ended June 30, 2025, together with the Chairman’s Review Report, Directors’ Report and Auditors’ Report thereon.

In accordance with Section 223(7) of the Companies Act, 2017, and pursuant to S.R.O. 389(I)/2023 dated March 21, 2023, the financial statements of the Company have been uploaded on the website of the Company, which can be downloaded from the following web link:



https://www.tatapakistan.com/tata-textile-mills

- To appoint statutory auditors of the Company and fix their remuneration for the year ending June 30, 2026. The present Auditors, M/s Yousuf Adil, Chartered Accountants, retire and being eligible, have offered themselves and consented for re-appointment. The Board of Directors and Board Audit Committee have recommended their appointment.

Special Business

- To ratify and approve all transactions carried out with related parties disclosed in the financial Statements for the year ended June 30, 2025, and authorize the Board of Directors of the Company to approve the potential transactions with related parties intended to be carried out in the financial year 2025-26, by passing the following special resolutions with or without modifications:
 - “RESOLVED that the transactions carried out with related parties as disclosed in Note No. 39 of the audited financial statements for the year ended June 30, 2025, be and are hereby ratified and approved.”
 - “FURTHER RESOLVED that the Board of Directors of the Company be and is hereby authorized to approve all related party transactions to be carried out during the financial year ending June 30, 2026. These transactions shall be deemed to have been approved by the shareholders and shall be placed before the shareholders in the next AGM for their formal ratification/approval.”
- To transact any other business with the permission of the Chair.

Statement of Material Facts under section 134(3) pertaining to special business are annexed.

Karachi:
Dated: September 30, 2025

By Order of the Board of Directors

Muhammad Hussain
Company Secretary

Notes:

1. Closure of Share Transfer Books:

The Share Transfer Books of the Company will remain closed from October 14, 2025, to October 21, 2025 (both days inclusive). Transfer request received at the Company’s Share Registrar’s Office at CDC Share Registrar Services Limited Office CDC, House, 99-B Block “B”, S.M.C.H.S. Main Shahra-e-Faisal, Karachi at the close of business hours on October 13, 2025, will be treated in time to attend and vote at the AGM.

2. Participation in the Meeting

- All shareholders of the Company shall authenticate his/her identity by showing his/her original CNIC or original passport at the time of attending the meeting.
- In the case of the corporate entity, the Board of Directors’ resolution/power of attorney with the representative’s specimen signature shall be produced at the meeting.

A member entitled to attend and vote at the meeting may appoint another member as his/her proxy to attend, speak and vote at the meeting.

For Appointing Proxies

- A member shall not be entitled to appoint more than one proxy. If a member appoints more than one proxy and more than one form of proxy is deposited by a member with the Company, all such forms of proxy shall be rendered invalid. The proxy must be a member of the Company.
- Instrument appointing a proxy must be received at the Registered Office of the Company duly signed at least 48 hours before the time of the meeting.
- The proxy shall produce his/her original CNIC or original passport at the time of the meeting.
- The proxy form shall be witnessed by two persons whose names, addresses and CNIC numbers shall be mentioned on the form.
- Attested copies of CNIC or the Passport of the beneficial owners and the proxy shall be furnished with the proxy form.

3. Participation in the AGM Through a Video Link.

Pursuant to circular 4 of 2021 issued by SECP, Shareholders who wish to participate virtually in the AGM are requested to register themselves by providing the following information with a valid copy of CNIC (both sides) / Passport, attested copy of board resolution/power of attorney (in case of corporate shareholders) through email with subject “Registration for Tata AGM” at ttm.corporate@tatapakistan.com by October 20, 2025:

Name of Member / proxy holders	CNIC No.	Folio No. / Participant Id / Account No.	Cell No. / WhatsApp’s No.	Email ID.

Video conference link details and login credentials will be shared with shareholders whose information is received through their registered email address within the specified time. Furthermore, the facility shall log in only from the registered email address. Members are encouraged to attend the AGM through video link and by consolidating their attendance through proxies.

4. Consent for Video Conference Facility:

Pursuant to Section 134(1)(b) of the Act, if the Company receives consent form from shareholders holding aggregate 10% or more shareholding residing at a geographical location to participate in the meeting through video conference at least seven days before the date of the meeting, the Company will arrange video conference facility in that city subject to availability of such facility in that city.

5. Procedure for Voting:

Pursuant to Companies (Postal Ballot) Regulations, 2018 (“the Regulations”) amended through Notification dated December 05, 2022, issued by the Securities and Exchange Commission of Pakistan (“SECP”), members of the Company will be allowed to exercise their right to vote through the electronic voting facility and voting by post for the special businesses in the AGM to be held October 21, 2025, in accordance with the requirements and subject to the conditions contained in aforesaid Regulations.

I. Procedure for E-Voting

- Details of the e-voting facility will be shared through an e-mail with those members of the Company who have their valid CNIC numbers, cell numbers, and e-mail addresses available in the register of members of the Company by the close of business on October 13, 2025.
- The identity of the members intending to cast a vote through e-voting shall be authenticated through electronic signature or authentication for login.
- E-voting lines will start on October 16, 2025 at 09:00 a.m. and shall close on October 20, 2025 at 5:00 p.m. Members can cast their votes at any time during this period. Once the vote on a resolution is casted by a Member, he/she shall not be allowed to change it subsequently.
- The web address, login details, and password will be communicated to members via email. The security codes will be communicated to members through SMS from the web portal of CDC Share Registrar Services Limited (being the e-voting service provider).

II. Procedure for Voting Through Postal Ballot

The members shall ensure that duly filled and signed ballot paper, along with a copy of the Computerized National Identity Card (CNIC), should reach the Chairman of the meeting through a post on the Company’s registered address, 6th Floor Textile Plaza, M. A. Jinnah Road, Karachi or email at chairman@tatapakistan.com one day before the Annual General Meeting i.e. on October 20, 2025 during working hours. The signature on the ballot paper shall match the signature on the CNIC.

6. Change / Update of Shareholders’ Particulars:

Members having physical shareholding are requested to notify their change of address, (if any) immediately to Company’s Share Registrar M/s CDC Share Registrar Service Limited. Whereas, CDC account holders are requested to contact their respective CDC Participant/Broker/Investor Account Services.

7. CNIC / NTN:

Pursuant to the directive of the Securities Exchange Commission of Pakistan (SECP), CNIC of members are mandatorily required to be mentioned on the Tax/ Zakat certificate. Members therefore, are requested to submit a copy of their valid CNIC (if not already provided) to the Company’s Share Registrar M/s CDC Share Registrar Service Limited.

8. Payment of Cash Dividend Electronically (Mandatory):

In accordance with the provisions of Section 242 of the Companies Act, 2017, and Regulation 4 of the Companies (Distribution of Dividends) Regulations 2017, listed companies are required to pay cash dividends to their shareholders only through electronic mode directly into bank accounts designated by the entitled shareholders.

Accordingly, the Shareholders are requested to fill in the Electronic Credit Mandate Form and send the duly signed form along with a copy of CNIC / NTN to our Share Registrar in case of physical shares. In case shares are held in CDC, then the Electronic Credit Mandate Form must be submitted directly to the shareholder’s broker/participant / CDC account services.

In case of non-receipt of IBAN details, the Company will be constrained to withhold payment of dividends under the Companies (Distribution of Dividends) Regulations, 2017.

9. Unclaimed Dividends and Bonus Shares:

Shareholders, who for any reason could not claim their dividend or bonus shares or did not collect their physical shares, are advised to contact the Company’s Share Registrar, M/s CDC Share Registrar Services Limited, to collect/enquire about their unclaimed dividend or pending shares, if any. Please note that in compliance with Section 244 of the Companies Act, 2017, after having completed the stipulated procedure, all dividends unclaimed for a period of three (3) years from the date due and payable shall be deposited to the credit of the Federal Government and in case of shares, shall be delivered to the Securities & Exchange Commission of Pakistan.

10. Deposit of Physical Shares into CDC Account:

As per Section 72 of the Companies Act, 2017, every existing company shall be required to replace its physical shares with book-entry form in a manner as may be specified and from the date notified by the SECP, within a period not exceeding four years from the commencement of the Companies Act, 2017, i.e. May 31, 2017.

The shareholder having physical shareholding may open a CDC sub-account with any of the brokers or investors’ accounts directly with the CDC to place their physical shares into scrip-less form. This will facilitate them in many ways, including safe custody and sale of shares, at any time they want, as the trading of physical shares is not permitted as per existing regulations of the Stock Exchange.

11. Transmission of Audited Financial Statements / Notices Through Email

Under the provisions of section 223(6) of the Act, all listed companies are permitted to circulate their annual financial statements, along with the Auditor’s Report, Directors’ Report, Chairman Review Report along with notice of Annual General Meetings (“Annual Report”), to its shareholders through email subject to the written consent of the shareholders. The printed copy of the financial statement can be provided to the member upon request.

12. Availability of Audited Financial Statements on the Company’s Website

The audited financial statements of the Company for the year ended June 30, 2025, have been placed on the website of the Company, www.tatapakistan.com.

13. Distribution of Gifts / Coupons

In pursuance of directive issued by the Securities & Exchange Commission of Pakistan, No gifts/coupons shall be distributed during the Annual General Meeting.

Statement Under Section 134 (3) of the Companies Act, 2017

Agenda No.3

- a. All transactions carried out by the company with related parties during the year ended June 30, 2025, are given in the related parties note no. 39 of the Annual Financial Statement of the Company.

The Company carried out transactions with related parties as per the approved Related Party Transactions Policy and approved by the Board as recommended by the Audit Committee on a quarterly basis pursuant to clause 15 of the Listed Companies Code of Corporate Governance Regulations 2019.

The transactions with related parties have been approved by the Board in the Quarterly and annual financial statements during the financial year 2024-25. However, the Board decided to place the above-related party transactions before the shareholders in the AGM for ratification and approval, considering the interests/concerns of the majority of directors due to common directorship.

- b. Authorization to the Board of Directors for all transactions to be carried out with related parties during the ensuing year ending June 30, 2026.

The Company is expected to be conducting transactions with related parties as per the approved Related Party Transactions Policy. All transactions entered into or to be entered into with related parties require the recommendation of the Audit Committee, and such transactions shall be placed before the Board of Directors for approval. In order to promote transparent business practices, the shareholders are recommended to authorize the Board of Directors of the Company to approve transactions with the related parties for the year ending June 30, 2026, which transactions shall be deemed to be approved by the shareholders. These transactions shall be placed before the shareholders in the next AGM for their formal ratification/approval.

The Directors are interested in the resolution only to the extent of their common directorships and their shareholding in the associated companies.

Form of Proxy



I/We _____ of _____, being a Member of Tata Textile Mills Limited, holder of _____, Ordinary Share(s) as per Register Folio No. _____ hereby Appoint Mr. _____, having CNIC No. _____ as my/our proxy in my/our absence to attend and vote for me/us, and on my/our behalf at the 39th Annual General Meeting of the company to be held on October 21, 2025 and at any adjournment thereof.

Signed this _____ day of _____ 2025.

Signature across Rs.5 Revenue Stamp

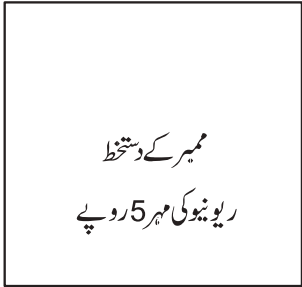
Witness 1 _____	Witness 2 _____
Signature _____	Signature _____
Name _____	Name _____
CNIC # _____	CNIC # _____

Notes:

1. This instrument appointing a proxy shall be in writing under the hand of the appointer or his attorney duly authorized in writing, or if the appointer is a corporation, either under the common seal or under the hand of an official or attorney so authorized. No person shall be appointed as a proxy who is not a member of the company qualified to vote, except that a corporation being a member may appoint a person who is not a member.
2. T he instrument appointing a proxy and the power of attorney or other authority (if any), under which it is signed or a notari ally certified copy of that power of authority, shall be deposited at the registered office of the Company not less than 48 (forty-eight) hours before the time for holding the meeting at which the person named in the instrument proposes to vote, and in default, the instrument of a proxy shall not be treated as valid.
3. CDC Shareholders or their Proxies should bring their original CNICs or Passports along with the Participant’s ID Number and Account Number to facilitate their identification. A detailed procedure is given in the Notes to the Notice of AGM.

میں / ہم کا / کی
 بحیثیت رکن ٹاٹا ٹیکسٹائل ملز لمیٹڈ اور حامل
 بذریعہ ہذا محترم / محترمہ
 کمپیوٹرائزڈ قومی شناختی کارڈ نمبر
 مورخہ 21 اکتوبر 2025ء

کو اپنے / ہمارے ایماء پر:
 منعقد ہونے والے کمپنی کے 39th اجلاس عام میں حق رائے دہی استعمال کرنے، تقریر اور شرکت کرنے یا کسی بھی التواء کی صورت میں اپنا / ہمارا بطور مختارنامہ (پراکسی) مقرر کرتا
 ہوں / کرتے ہیں۔



ممیر کے دستخط

ریونیو کی مہر 5 روپے

آج بروز بتاریخ 2025 کو میرے / ہمارے دستخط سے گواہوں کی تصدیق سے جاری ہوا۔

1۔ گواہان
 دستخط: _____
 نام: _____
 کمپیوٹرائزڈ قومی شناختی کارڈ نمبر: _____

2۔ گواہان
 دستخط: _____
 نام: _____
 کمپیوٹرائزڈ قومی شناختی کارڈ نمبر: _____

نوٹ:

- اس فارم کے ذریعے کسی پراکسی (نمائندہ) کی تقرری تحریری صورت میں ہونی چاہیے، جو تقرر کنندہ کے دستخط سے یا اس کے ایسے وکیل کے دستخط سے ہو جو تحریری طور پر با اختیار ہو۔ اگر تقرر کنندہ کوئی کارپوریشن ہو، تو یہ تقرری یا تو کمپنی کی مہر کے تحت یا کسی ایسے عہدیدار یا وکیل کے دستخط سے ہونی چاہیے جو مجاز ہو۔ کسی ایسے شخص کو پراکسی (نمائندہ) مقرر نہیں کیا جاسکتا جو کمپنی کا رکن نہ ہو اور ووٹ دینے کا اہل نہ ہو، البتہ اگر کوئی کارپوریشن رکن ہو تو وہ کسی ایسے شخص کو جو رکن نہ ہو پراکسی مقرر کر سکتی ہے۔
- پراکسی (نمائندہ) کی تقرری کا فارم اور پاور آف اٹارنی یا کوئی اور مجاز دستاویز (اگر ہو)، جس کے تحت اس پر دستخط کیے گئے ہوں، یا اس اختیار نامے کی نوٹری سے تصدیق شدہ نقل، کمپنی کے رجسٹرڈ دفتر میں اجلاس کے وقت سے کم از کم 48 (اڑتالیس) گھنٹے قبل جمع کرائی جانی چاہیے، جس میں اس دستاویز میں نامزد شخص کو ووٹ دینا ہے۔ بصورت دیگر، پراکسی کا یہ فارم قابل قبول نہیں سمجھا جائے گا۔
- سی ڈی سی (CDC) شیئر ہولڈرز یا ان کے پراکسی حضرات کو اپنی شناخت کی تصدیق کے لیے اپنا اصل کمپیوٹرائزڈ قومی شناختی کارڈ (CNIC) یا پاسپورٹ، نیز پارٹنیشن آئی ڈی نمبر (Participant ID's Numbers) اور اپنا کاؤنٹ نمبر ساتھ لانا ضروری ہے۔ تفصیلی طریقہ کار سالانہ عمومی اجلاس (AGM) کے نوٹس کی ہدایات میں درج ہے۔

	Tata Textile Mills Limited Registered Office Address: 6th Floor, Textile Plaza, M. A. Jinnah Road, Karachi. Tel #: 32412955-3 Lines 32426761-2-4 Website: www.tatapakistan.com
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Ballot Paper for Voting Through Post

For a poll to be held on Tuesday, October 21, 2025, at 11:00 a.m. at The Institute of Chartered Accountants of Pakistan (ICAP) Auditorium, Chartered Accountants Avenue, Block 8, Clifton, Karachi, Sindh 75600

Designated email address of the chairman at which the duly filled-in ballot paper may be sent: chairman@tatapakistan.com

Name of shareholder / joint shareholders/ Proxy holder	
Registered Address	
Folio No. / CDC Participant / Investor ID with Sub-Account #	
Number of shares held (Shall be taken as of book closure in the notice)	
CNIC No./Passport No - in case of a foreigner (copy to be attached)	
Additional Information and enclosures (In case of a representative of a body corporate, corporation, and the Federal Government)	

Instructions for Poll
1. Please indicate your Vote by ticking (✓) the relevant box.
2. In case if both the boxes are marked as (✓) your poll shall be treated as “Rejected”
I/we hereby exercise my/our vote in respect of the following resolutions through postal ballot by conveying my/our assent or dissent to the following resolution by placing a tick (✓) mark in the appropriate box below.

Sr. No.	Nature and Description of Resolutions	No. of ordinary shares for which votes cast	I/We assent to the Resolutions (FOR)	I/We dissent to the Resolutions (AGAINST)
	Special Business			
1	Agenda No. 3 To ratify and approve all transactions carried out with related parties disclosed in the financial Statements for the year ended June 30, 2025, and authorize the Board of Directors of the Company to approve the potential transactions with related parties intended to be carried out in the financial year 2025-26, by passing the following special resolutions with or without modifications. a. “RESOLVED that the transactions carried out with related parties as disclosed in Note No. 39 of the audited financial statements for the year ended June 30, 2025, be and are hereby ratified and approved.”			

	<p>b. “FURTHER RESOLVED that the Board of Directors of the Company be and is hereby authorized to approve all related party transactions to be carried out during the financial year ending June 30, 2026. These transactions shall be deemed to have been approved by the shareholders and shall be placed before the shareholders in the next AGM for their formal ratification/approval.”</p>			
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Signature of shareholder(s)/Proxy Holder(s)/Authorized Signatory
(In the case of a corporate entity, please affix the company stamp)

Place: _____

Date: _____

Notes / Procedure for Submission of Ballot Paper:

- Duly filled postal ballot should be sent to the Chairman Mr. Mazhar Valjee, Tata Textile Mills Limited, Company’s head office, 6th Floor, Textile Plaza, M. A. Jinnah Road, Karachi. - Pakistan or at e-mail: chairman@tatapakistan.com
- A copy of CNIC/Passport (in case of a foreigner) should be enclosed with the postal ballot form.
- Ballot Paper forms should reach the chairman of the meeting on or before October 20, 2025, up to 05:00 p.m. Any postal ballot received after this date will not be considered for voting.
- The signature on the ballot should match the signature on the CNIC/Passport (in case of a foreigner).
- Incomplete, unsigned, incorrect, defaced, torn, mutilated, or over-written ballot paper will be rejected.
- In the case of a representative of a body corporate and corporation, the postal ballot must be accompanied by a copy of the CNIC of an authorized person, along with a duly attested copy of the Board Resolution, Power of Attorney, or Authorization Letter in accordance with Section(s) 138 or 139 of the Companies Act, 2017, as applicable, unless these have already been submitted along with the Proxy Form. In the case of a foreign body corporate, etc., all documents must be attested by the Counsel General of Pakistan having jurisdiction over the member.
- Ballot paper has also been placed on the website of the Company www.tatapakistan.com. Members may download the ballot paper from the website or use the original/photocopy published in newspapers.

☆ سہ ماہی اور سالانہ مالیاتی گوشواروں کا جائزہ اور منظوری۔

☆ اندرونی آڈٹ کی رپورٹس اور آڈٹ کمیٹی کی سفارشات کی نگرانی۔

☆ بیرونی آڈیٹرز کی تقرری۔

☆ متعلقہ فریقوں کے ساتھ لین دین کی نگرانی تاکہ شفافیت اور ضوابط کی پابندی کو یقینی بنایا جاسکے۔

بورڈ بہترین کارپوریٹ گورننس کے اصولوں پر کاربند ہے، تاکہ جوابدہی، شفافیت اور اسٹیک ہولڈرز کے مفادات کا تحفظ یقینی بنایا جاسکے۔

پائیداری اور ذمہ داری:

پائیداری ہماری اسٹریٹجک ترجیحات میں مسلسل شامل رہی ہے۔ ہم سمجھتے ہیں کہ ذمہ دار کاروباری طریقے وقتی مالی نتائج پر اثر ڈال سکتے ہیں، لیکن یہ طویل مدتی کامیابی کے لیے ناگزیر ہیں۔ ہماری ماحولیاتی، سماجی اور حکمرانی (ESG) اور کارپوریٹ سماجی ذمہ داری (CSR) کے اقدامات روزمرہ کے معاملات کے ساتھ منسلک ہیں، اور مقررہ اہداف کے مطابق پیش رفت کی نگرانی کے لیے سہ ماہی رپورٹنگ کی جاتی ہے۔ ہم مندرجہ ذیل شعبوں میں سرمایہ کاری جاری رکھے ہوئے ہیں:

☆ افراد: محفوظ، جامع اور مہارت پر مبنی کام کی جگہ فراہم کرنا۔

☆ عملیات: آپریشنل کارکردگی اور مصنوعات کے معیار کو بہتر بنانا۔

☆ ٹیکنالوجی: جدید حل اپنانا تاکہ پیداوار بڑھائی جاسکے اور ماحولیاتی اثرات کو کم کیا جاسکے۔

رسک مینجمنٹ اور داخلی کنٹرولز:

کمپنی کے آپریشنز کی مضبوط بنیاد ایک مستحکم داخلی کنٹرول ماحول پر ہے۔ بورڈ، آڈٹ کمیٹی کی معاونت سے، باقاعدگی سے کنٹرولز کی کفایت اور مؤثریت کا جائزہ لیتا ہے، جس میں رسک مینجمنٹ سسٹمز بھی شامل ہیں۔ داخلی آڈٹ کے جائزے، ساتھ ہی آزاد بیرونی آڈٹس، اس بات کو یقینی بناتے ہیں کہ شناخت شدہ خامیوں کو فوری طور پر دور کیا جائے، جس سے کمپنی کے اثاثے اور آپریشنل سالمیت محفوظ رہیں۔

اظہار تشکر:

بورڈ کی جانب سے، میں اپنے حصص مالکان، صارفین، فراہم کنندہ، اور ملازمین کا شکریہ ادا کرتا ہوں، جنہوں نے ہمارا اعتماد قائم رکھا اور ہم پر اپنی وابستگی ظاہر کی۔ آپ کی مسلسل حمایت ہماری مضبوطی کو بڑھاتی ہے اور ہمیں جدت اور نظم و ضبط کے ساتھ نئے مواقع تلاش کرنے کی ترغیب دیتی ہے۔

ہم محتاط انتظام، پائیدار ترقی کی حکمت عملیوں اور بے لوث عزم کے ذریعے شیئر ہولڈرز کی قدر بڑھانے پر اپنی توجہ برقرار رکھے ہوئے ہیں۔


 مظہر واجی
 چیئرمین

کراچی مورخہ 08 اگست 2025ء

چیمبر مین کا جائزہ

محترم اسٹیک ہولڈرز،

میں 30 جون 2025 کو ختم ہونے والے مالی سال کیلئے ٹاٹا ٹیکسٹائل ملز لمیٹڈ کے سالانہ مالیاتی نتائج پیش کرتے ہوئے مسرت محسوس کر رہا ہوں۔

معاشی و صنعتی جائزہ:

رپورٹ کے تحت سال کے دوران پاکستان کے میکرو اکنامک اشاریوں میں بتدریج بہتری دیکھی گئی، جس سے زرمبادلہ کی شرح تبادلہ میں نسبتاً استحکام، افراط زر کے دباؤ میں کمی، پالیسی ریٹ میں کمی اور بیرونی کھاتوں کے بہتر انتظام نے سہارا دیا۔ جون 2025 میں افراط زر کی اوسط شرح کم ہو کر 3.2 فیصد تک آگئی، جبکہ اسٹیٹ بینک آف پاکستان نے پالیسی ریٹ گھٹا کر 11 فیصد کر دیا، جس سے کاروباری ماحول کو کسی حد تک سہولت ملی۔

تاہم ان بہتریوں کے باوجود اسپننگ سیکٹر کو سنگین مشکلات کا سامنا رہا، جن میں توانائی کی بلند اور غیر مستحکم لاگتیں، گھٹیا معیار اور مہنگی مقامی خام کپاس، اجرتوں میں اضافہ، اور جغرافیائی سیاسی عدم استحکام و بحری راستوں کی بندش سے پیدا ہونے والی سپلائی چین کی رکاوٹیں شامل ہیں۔ پالیسی تبدیلیاں جیسے کہ ایکسپورٹ فیسلٹیٹیشن اسکیم کے تحت زیوریننگ کا خاتمہ اور نارمل ٹیکس رجیم کی طرف منتقلی نے لاگت کے اعتبار سے مسابقت کو مزید متاثر کیا۔ اس شعبے کی طویل مدتی ترقی کے لیے حکومتی پالیسی میں استحکام اور تسلسل نہایت ضروری ہے۔

کمپنی کی کارکردگی اور حکمت عملی کی سمت:

اس ماحول میں، ٹاٹا ٹیکسٹائل ملز لمیٹڈ نے معیار، عملی کارکردگی اور صارفین کے ساتھ تعلقات پر بھرپور توجہ دے کر پاکستان کی نمایاں اسپننگ یونٹس میں اپنی پوزیشن برقرار رکھی۔ بورڈ آف ڈائریکٹرز نے اسٹریٹجک رہنمائی فراہم کی، جس کی بدولت کمپنی نے مارکیٹ کی غیر یقینی صورتحال میں بھی کامیابی سے راستہ نکالا اور اپنے مشن کے ساتھ ہم آہنگ رہی، یعنی برآمدی معیار کے ٹیکسٹائل مصنوعات کے لیے اعلیٰ معیار کا یارن تیار کرتے ہوئے صارفین کی توقعات سے بڑھ کر کارکردگی دکھائی۔

ہمارا نظریہ یہ ہے کہ دیانت داری، معیار سے وابستگی اور کاروباری اخلاقیات کے ذریعے عالمی سطح پر تسلیم کیا جائے۔ مقصد اور نظریہ (Mission and Vision) کے درمیان ہم آہنگی اس بات کو یقینی بناتی ہے کہ ہمارے وسائل پائیدار اور طویل مدتی قدر کی تخلیق کی جانب ہوں۔

گورننس اور بورڈ کی موثریت:

دوران سال بورڈ نے اپنی سالانہ سیلف اسسمنٹ کی، جس میں کارکردگی کو تسلی بخش قرار دیا گیا اور مسلسل بہتری کے لیے چند پہلوؤں کی نشاندہی کی گئی۔ بورڈ کا فعال کردار اہم فیصلوں میں جھلکتا ہے، جن میں شامل ہیں:

☆ بڑے سرمایہ جاتی اخراجات کے منصوبوں کی منظوری۔

پاکستان کی معیشت نے مالی سال 2025-26 کا آغاز مثبت سمت میں کیا ہے، تاہم پائیدار ترقی کے لیے ساختی اصلاحات کے ساتھ ساتھ بلند ٹیکسوں اور زیادہ بجلی کے نرخوں کا حل ناگزیر ہے۔ سالانہ بجٹ تقریر 2025 میں درآمدی یارن کو ایکسپورٹ فنانس اسکیم (EFS) سے نکالنے اور 18% سیلز ٹیکس عائد کرنے کا اعلان کیا گیا۔ اس ضمن میں متعلقہ ایس آر او 05 اگست 2025 کو جاری کیا گیا، جس کے نفاذ سے مقامی اسپننگ انڈسٹری کو مساوی مواقع فراہم کرتے ہوئے فائدہ پہنچنے کی توقع ہے۔ تاہم فنانس بل 2025 میں ایف بی آر افسران کو وسیع اختیارات دیے گئے ہیں، جس پر ممکنہ غلط استعمال اور قانون کی پاسداری کرنے والے کاروبار پر اثرات کے حوالے سے خدشات پائے جاتے ہیں۔ مزید یہ کہ صنعتی ترقی کے لیے مراعات کی کمی نے اسٹیک ہولڈرز میں غیر یقینی صورتحال کو جنم دیا ہے۔

کمپنی منافع بخش آپریشنز اور عملی بہترین کارکردگی پر اپنی توجہ مرکوز رکھنے کے عزم پر قائم ہے۔ اسٹریٹجک مباحثوں میں انتظامیہ مارکیٹ کے بدلتے حالات کا جواب دینے اور پائیدار ترقی کے نئے مواقع تلاش کرنے کے لیے مصنوعی ذہانت (AI) اور جدید ٹیکنالوجی کے استعمال پر زور دیتی ہے۔ انہی ترجیحات کے تحت کمپنی پلانٹ کی جدید کاری (BMR) اور ڈیجیٹل ٹرانسفارمیشن جیسے منصوبوں میں سرمایہ کاری جاری رکھے ہوئے ہے تاکہ موثر آپریشنز کو یقینی بنایا جاسکے۔ آئندہ مالی سال 2025-26 کے لیے بڑی ڈیجیٹل ٹرانسفارمیشن اقدامات میں جامع Human Resource Management System (HRMS) کا نفاذ، BI ڈیش بورڈز کا قیام اور بینک مفاہمت کے خود کار نظام کے فیئر II کی تکمیل شامل ہے۔ کمپنی اپنی توجہ انوینٹری لیوئز کو بہتر بنانے اور تجارتی وصولیوں کے چکر کو بہتر انداز میں منظم کرنے پر مرکوز رکھے گی تاکہ لیکویڈیٹی کے مسائل حل کیے جاسکیں اور کیش فلو کو زیادہ موثر بنایا جاسکے۔ ایک ذمہ دار کارپوریٹ ادارے کے طور پر کمپنی اعلیٰ معیار کی گورننس پر سختی سے عمل پیرا رہنے کے عزم کا اعادہ کرتی ہے۔

اظہار شکریہ:

ہم ملازمین کی خلوص نیت، ثابت قدمی اور عزم کو دلی طور پر سراہتے ہیں، جنہوں نے دوران سال تمام مسائل کا مقابلہ کیا۔ ہم اپنے معزز گاہکوں (Customers)، فراہم کنندگان (Suppliers)، مال شراکت داروں (Financial Partners) اور حصص مالکان (Share holders) کی مسلسل حمایت کے بھی شکر گزار ہیں۔ جن کے اعتماد اور بھروسے نے کمپنی کی مستقل ترقی اور کامیابی میں بنیادی کردار ادا کیا ہے۔

بورڈ آف ڈائریکٹرز کی جانب سے

عذیل شاہد ٹاٹا
ڈائریکٹر

شاہد انوار ٹاٹا
چیف ایگزیکٹو

کراچی مورخہ: 08 اگست 2025ء

☆ استحکام سے جڑے مواقع:

مشکلات کے باوجود، ٹاٹا ٹیکسٹائل ملز لمیٹڈ پائیداری کو ترقی، جدت اور مسابقتی برتری کا ذریعہ سمجھتا ہے۔

- مسلسل برتری: ESG اصولوں پر عمل کرنے سے اسٹیک ہولڈرز کا اعتماد بڑھتا ہے، مالی خطرات کم ہوتے ہیں اور طویل مدتی منافع یقینی ہوتا ہے۔
- مارکیٹ میں الگ پہچان: ماحول دوست پیداوار کے ذریعے کمپنی ایک ذمہ دار برانڈ کے طور پر سامنے آتی ہے، جس سے اعلیٰ معیار کی مارکیٹوں تک رسائی اور گاہکوں کی وفاداری میں اضافہ ہوتا ہے۔
- جدت اور بہتری: نئی پائیدار ٹیکنالوجیز کے استعمال سے مسلسل جدت، عمل میں بہتری اور لاگت میں کمی آتی ہے، جو کمپنی کو مضبوط اور پگھلاؤ پرست بناتی ہے۔
- قوانین کے لیے تیاری: پائیداری کو پہلے سے شامل کرنے سے مقامی اور بین الاقوامی قوانین کی تعمیل آسان ہو جاتی ہے اور قانونی خطرات کم ہوتے ہیں۔
- انتظامی حکمت عملی: ٹی ٹی ایم ایل اپنے بنیادی آپریشنز میں پائیداری کو منسلک کرتا ہے، جس کے لیے مخصوص اقدامات، حکمت عملی سرمایہ کاری اور منظم رسک مینجمنٹ اپنایا جاتا ہے۔

صحت کی حفاظت و ماحول (HSE) اور معیار:

کمپنی کو پیشہ ورانہ صحت، حفاظت اور ماحولیات میں بہترین اقدامات کا ایمپلائرز فیڈریشن آف پاکستان کا 2023 "Recognition Award" ملا۔ 30 جون 2025 تک کمپنی نے 285 ملین محفوظ اوقات کا ریکارڈ کیا۔ HSE کے اہم مقاصد میں قانون پر عملدرآمد، خطرات پر قابو پانا اور رسک مینجمنٹ شامل رہے۔ اس کے لیے ایک مکمل HSE دستاویز موجود ہے، جس کی نگرانی ماہر ٹیموں، باقاعدہ آڈٹ اور ملازمین کی تربیت سے کی جاتی ہے۔ استحکام کے حوالے سے کمپنی نے توانائی اور پانی کے تحفظ، فضلہ کم کرنے اور NEQS کے مطابق عمل کرنے پر توجہ دی۔ کمپنی کے پاس کئی بین الاقوامی سرٹیفیکیشنز بھی موجود ہیں جیسے ISO (OHSAS, Environmental), Oeko-Tex, GOTS, RCS اور OCS۔ اس کے ساتھ ساتھ کمپنی مختلف عالمی اقدامات کی شراکت دار بھی ہے، جیسے AMFORI-BEPI، Better Cotton Initiative، Cotton Cotton Trust Protocol اور US Cotton Trust Protocol۔ یہ سب اس بات کا ثبوت ہے کہ کمپنی حفاظت، معیار اور پائیدار کام کرنے کے عزم پر قائم ہے۔

کریڈٹ ریٹنگ:

PACRA کی جانب سے مئی 2025 میں کمپنی کو طویل مدتی "A" اور مختصر مدتی "A1" کریڈٹ ریٹنگ ملی۔ ریٹنگ ایجنسی کی جانب سے دی گئی ”ریٹنگ“ کی تشخیص کمپنی کی مضبوط مالی صلاحیت اور وقت پر قرض کی ادائیگی کی صلاحیت کو ظاہر کرتی ہے۔

قومی خزانے میں ادائیگیاں:

سال 2024-25 کے دوران، کمپنی نے قومی خزانے میں تقریباً 4.24 بلین روپے کی ادائیگی کی، جو کہ مالی سال 2024 میں 3.49 بلین روپے تھی۔

اندرونی مالیاتی کنٹرول کی شفافیت:

کمپنی کے بورڈ آف ڈائریکٹرز نے انٹرنل مالیاتی کنٹرول کا ایک موثر نظام قائم کیا ہے۔ ان کنٹرولز کو کاروبار کے موثر اور ہموار طریقے سے چلانے، دھوکہ دہی اور غلطیوں کی روک تھام اور ان کی شناخت کرنے، کمپنی کے اثاثہ جات کی حفاظت، قوانین اور ضوابط کی تعمیل، حساب کتاب کی درستگی اور مکمل ہونے، اور قابل اعتماد مالی معلومات کی بروقت تیاری کو یقینی بنانے کے لیے استعمال کیا گیا ہے۔ اس بات کو یقینی بنانے کیلئے کہ یہ نظام موثر رہے اور کسی بھی قوانین اور ضوابط میں ترامیم کے ساتھ آگاہ ہو جائیں، اندرونی مالیاتی کنٹرول کا وقتاً فوقتاً جائزہ لیا جاتا ہے۔

کاروبار کی نوعیت میں تبدیلی:

سال کے دوران کمپنی کی کاروباری نوعیت میں کوئی قابل ذکر تبدیلی نہیں آئی ہے۔

مالیاتی ڈیٹا اور گرافس:

آپریٹنگ/مالیاتی ڈیٹا اور گراف کی تفصیلات اس رپورٹ میں پیش کی گئی ہیں۔

بنیادی خطرات اور غیر یقینی حالات:

کمپنی کے رسک مینجمنٹ کے فلسفے، گورننس، اور اہم خطرات و مواقع پر مشتمل تفصیلات اس رپورٹ میں پیش کی گئی ہے۔

کارپوریٹ گورننس کے معاملات:

پالیسی، بورڈ اور گورننس سے متعلق تمام معاملات کارپوریٹ گورننس سیکشن میں پیش کئے جاتے ہیں اور انہیں ڈائریکٹرز کی رپورٹ کا حصہ سمجھا جاتا ہے۔

چیئر مین کا جائزہ:

کمپنی کے ڈائریکٹرز چیئر مین کی جائزہ رپورٹ کی توثیق کرتے ہیں جو کہ ڈائریکٹرز کی رپورٹ کا حصہ ہے۔

مستقبل کی حکمت عملی:

اگرچہ عالمی معیشت میں استحکام اور معتدل بحالی کی علامات ظاہر ہوئی ہیں، تاہم مسلسل جغرافیائی سیاسی تناؤ اور بڑی معیشتوں میں مہنگائی کے فرق کے باعث محتاط رہنا ناگزیر ہے، جو مربوط پالیسی رد عمل کی ضرورت کو اجاگر کرتا ہے۔ مشرق وسطیٰ اور روس۔ یوکرین میں جاری تنازعات نے ترسیلات میں تاخیر اور بنیادی خام مال کے درآمدی اخراجات میں اضافہ کیا ہے۔ اس کے ساتھ ہی عالمی مہنگائی کے اتار چڑھاؤ نے اجناس کی قیمتوں کو متاثر کیا ہے، جس کے نتیجے میں پاکستان میں کرنسی کی قدر میں کمی اور پیداواری لاگت میں اضافے کے امکانات بڑھ گئے ہیں۔ ٹرمپ انتظامیہ کی محصولات کے نفاذ کی وجہ سے طویل المدتی امریکی۔ چینی تجارتی کشیدگی نے عالمی تجارتی غیر یقینی صورتحال کو مزید تقویت دی ہے۔

☆ خوشحالی:

- صنفی/جنسی بنیاد پر تنخواہوں کے فرق کے تجزیے سے اوسط فرق %0.4- آیا ہے جس سے ظاہر ہوتا ہے کہ ادارے میں خواتین کو منصفانہ معاوضہ دیا جا رہا ہے تاہم اعلیٰ عہدوں پر مردوں کی تعداد زیادہ ہونے کے سبب درمیانی فرق (میڈن) %8.5 آیا ہے۔
- ہمارے ملازمین خصوصی افراد کا حصہ %2 ہے، جو ایک ایسا ماحول تشکیل دینے کی عکاسی کرتا ہے جہاں سب کے لیے مواقع اور سہولتیں یکساں دستیاب ہیں۔

☆ استحکام سے جڑے خطرات اور مواقع:

- ٹاٹا ٹیکسٹائل ملز لمیٹڈ کو مختلف ماحولیاتی، سماجی اور حکمرانی (ESG) سے جڑے خطرات کا سامنا ہے، جو ہماری مالی کارکردگی، اسٹیک ہولڈرز کے اعتماد اور کاروبار جاری رکھنے کے لائسنس کو متاثر کر سکتے ہیں۔

☆ ماحولیاتی خطرات:

- پانی کا استعمال، آلودگی، فضلہ اور کاربن اخراج: موسمیاتی تبدیلی، پانی کی کمی، ہوا و پانی کی آلودگی اور صنعتی اخراج پر سخت نظر ہماری پائیدار کارکردگی کے لیے چیلنج ہیں۔
- معیارات کے ساتھ ہم آہنگ نہ ہونا: اگر ہم نئے پائیداری معیار کے مطابق نہ ہوئے تو اسٹیک ہولڈرز کا اعتماد متاثر ہو سکتا ہے اور کمپنی کی طویل مدتی پوزیشن کمزور پڑ سکتی ہے۔
- وسائل کی کمی: کپاس یا توانائی جیسے اہم وسائل کی کمی پیداوار اور مالی اہداف پر اثر ڈال سکتی ہے۔ متبادل ذرائع استعمال کرنے سے معیار اور منافع میں کمی کا خدشہ ہوتا ہے۔

☆ سماجی خطرات:

- مزدوروں کے حقوق اور قوانین: غیر محفوظ حالات کار، مزدور قوانین کی خلاف ورزی اور انسانی حقوق متاثر ہونے سے کمپنی کی ساکھ اور کاروبار جاری رکھنے کی صلاحیت کو نقصان پہنچ سکتا ہے۔
- صحت اور حفاظت: مناسب حفاظتی اقدامات نہ ہونے سے حادثات، ملازمین کی غیر ذمہ داری سے اور قانونی ذمہ داریاں بڑھ سکتی ہیں۔

☆ گورننس سے جڑے خطرات:

- قانونی تعمیل اور سپلائی چین نگرانی: قوانین کی خلاف ورزی یا سپلائی چین پر نظر نہ رکھنے سے قانونی کارروائیاں اور شہرت کو نقصان پہنچ سکتا ہے۔
- ماحولیاتی قوانین میں تبدیلی: کاربن ٹیکس، اخراج پر پابندی اور فضلہ مینجمنٹ جیسے نئے قوانین سے اخراجات بڑھ سکتے ہیں اور تعمیل پر زیادہ سرمایہ کاری کی ضرورت پڑ سکتی ہے۔
- شفافیت اور اعتماد: سماجی اثرات پر کم رپورٹنگ یا نگرانی کی وجہ سے سرمایہ کاروں کا اعتماد کم ہو سکتا ہے اور ذمہ دار سرمایہ تک رسائی محدود ہو سکتی ہے۔

☆ ماحولیاتی تبدیلی کے خلاف اقدامات:

- قابل تجدید توانائی کے ذریعے سالانہ 10,393 میگا واٹ فی گھنٹہ بجلی پیدا کی گئی۔
- قابل تجدید توانائی، ایل ای ڈی لائٹنگ اور ماحول دوست بنیادی ڈھانچے (infrastructure) کے ذریعے 73,587 میٹرک ٹن کاربن کے اخراج میں کمی کی گئی۔
- پیداواری مرکز کے اطراف میں 379 سے زائد درخت لگائے گئے۔
- کاغذ کے کم استعمال کے لیے خود کاری، مؤثر پانی کے استعمال اور پائیدار خام مال جیسے BCI کاٹن اور GRS- سرٹیفائیڈ فائبرز کے استعمال کو فروغ دیا گیا۔

☆ سماجی ذمہ داری:

- کمپنی نے اپنی فیکٹریوں کے اندر اور ارد گرد کے مقامی لوگوں کو صاف اور فلٹر شدہ پانی فراہم کیا، اور پسماندہ خصوصی بچوں کی تعلیم کی حوصلہ افزائی کی۔
- آگاہی اور صحت کے حوالے سے مختلف سرگرمیاں منعقد کی گئیں، جن میں ہیٹ ریلیف کمپ، تپ دق (TB) کی جانچ کمپ، جنرل میڈیکل کمپ اور عطیہ خون کی مہم شامل ہیں۔

☆ تنوع، مساوات اور شمولیت:

- کمپنی نے اپنی پالیسیوں کو مزید بہتر بنانے کے لیے GDEIB اسسمنٹ کے تحت تنوع، مساوات اور شمولیت کا تفصیلی جائزہ لیا اور اس کی بنیاد پر قابل پیمائش اہداف پر مشتمل ایک عملی منصوبہ منظور کیا۔
- منصفانہ طور پر بھرتی کے لیے متنوع جاب بورڈز کے ذریعے آؤٹ ریچ، نام ظاہر کئے بغیر درخواستوں کی جانچ پڑتال (Blind Screening Process) اور مختلف پس منظر کے انٹرویو پینلز شامل کیے گئے۔ مینجمنٹ ٹرینی پروگرام خواتین کی افرادی قوت میں شمولیت بڑھانے میں اہم کردار ادا کر رہا ہے۔

کمپنی کے موجودہ بیرونی آڈیٹرز میسرز یوسف عادل چارٹرڈ اکاؤنٹینٹس نے 30 جون 2025 کو ختم ہونے والے سال کا سالانہ آڈٹ مکمل کر کے شفاف آڈٹ رپورٹ جاری کر دی ہے۔ آڈیٹرز کمپنی کے سالانہ اجلاس عام کے اختتام پر ریٹائر ہو رہے ہیں اور اہل ہونے کی حیثیت سے خود کی دوبارہ تقرری کے لئے پیشکش کی ہے۔ آڈٹ کمیٹی کی سفارش کی بنیاد پر بورڈ آف ڈائریکٹرز نے میسرز یوسف عادل چارٹرڈ اکاؤنٹینٹس کو بطور آڈیٹرز مالیاتی سال 30 جون 2026 کیلئے دوبارہ تقرر کرنے کیلئے سفارش پیش کی ہے۔

انفارمیشن ٹیکنالوجی (IT):

کمپنی نے ERP سسٹم Oracle Fusion کی جدید خصوصیات سے استفادہ کرتے ہوئے ابتداء تا انتہاء عملی طریقہ کار (End to end Process) کو مزید موثر بنایا، جس کے نتیجے میں حقیقی وقت کے اعداد و شمار پر مبنی بصیرت، بہتر فیصلے سازی اور مختلف شعبہ جات میں دستی مداخلت میں کمی ممکن ہوئی۔ اہم کامیابیوں میں فراہم کنندہ سے تعلقات کی نظم کاری (Supplier Relationship Management (SRM) پورٹل کا کامیاب نفاذ اور ملازمین و فراہم کنندہ کے لیے جامع تربیت شامل ہے۔ اس اقدام سے آپریشنل ورک فلوز میں بہتری، فروخت کے چالان کے عملی طریقہ کار (Invoice Processing) میں آسانی، فراہم کنندہ کے ساتھ تعلقات میں اضافہ اور کاغذ کے استعمال میں کمی واقع ہوئی۔ مزید ڈیجیٹل پیش رفتوں میں نظام ہائے بار کوڈ (Barcode Systems) Business Intelligence Dashboard کا نفاذ اور بینک کھاتوں کا مفاہمتی ریکارڈ (Bank Reconciliation) (MT-940) کی خود کاری کے فیئر کی تکمیل شامل ہے، جس سے نمایاں وقت کی بچت اور عمل درآمدی استعداد میں بہتری حاصل ہوئی۔ انسانی وسائل (HR) کے شعبے میں بھرتی کی نگرانی کا نظام اور افرادی صلاحیتوں کا تعین و نقشہ سازی (Hiring Trackers and talent mapping) کو Google Looker Studio کے ذریعے digitalize کیا گیا، جبکہ لرننگ اینڈ ڈیولپمنٹ (L&D) نے QR کوڈ پر مبنی جانچ پڑتال اور رائے متعارف کروایا۔ مالی سال 2024-25 میں کمپنی نے اپنے نیٹ ورک کے بنیادی ڈھانچے کو جدید کیا، جس سے انٹرنیٹ کی رفتار، کارکردگی اور استحکام میں نمایاں بہتری آئی۔ Digital work flow کے ذریعے کاغذ کے استعمال میں مزید کمی کی گئی۔ Cloud Based ERP ماحول کے تحفظ کے لیے مضبوط سائبر تحفظاتی اقدامات اختیار کیے گئے جن میں پاس ورڈ پالیسیز، فائر وال کا حفاظتی نظام اور رسائی کے سخت اصول و ضوابط شامل ہیں۔

ہیومن ریسورسز مینجمنٹ:

مالی سال 2024-25 کے دوران، ہیومن ریسورسز نے بہترین کارکردگی کو آگے بڑھانے اور انسانی سرمائے کی حکمت عملیوں کو کمپنی کے طویل مدتی نظریہ سے ہم آہنگ کرنے میں اہم کردار ادا کیا، اور ڈیجیٹل ٹرانسفارمیشن کی بنیادوں کو مزید مضبوط بنایا۔

☆ ٹیلنٹ مینجمنٹ:

کمپنی نے ادارہ جاتی ضروریات کے مسلسل جائزے کے ذریعے بروقت اور میرٹ پر بھرتی کو یقینی بنایا۔ منصوبہ بندی اور اندرونی تبادلوں کو مزید مستحکم کیا گیا، جبکہ انتظامی تربیتی پروگرام نے اہم کاروباری شعبوں میں مستقبل کے رہنماؤں کی تربیت جاری رکھی۔ کمپنی نے پہلی مرتبہ Mercer Total Remuneration Survey میں شرکت کی، تاکہ معاوضے اور مراعات کے حوالے سے بہتر فیصلہ سازی کو سپورٹ کیا جاسکے۔ وفاداری اور عزم کے اعتراف میں، 70 ملازمین کو لانگ سروس ایوارڈز سے نوازا گیا، جنہوں نے 15 یا اس سے زائد برسوں پر محیط خدمات انجام دی ہیں۔

☆ ملازمین کی تربیت اور ان کی ترقی کیلئے اقدامات:

مالی سال کے دوران، ملازمین کی تربیت اور ان کی ترقی کیلئے اقدامات نے تمام سطحوں پر ملازمین کی صلاحیتوں کو بڑھانے میں مرکزی کردار ادا کیا۔ نئے ملازمین کے لیے New Employee Orientation (NEO) کے ایک منظم عمل کو نافذ کیا گیا، تاکہ بھرتی کیے گئے افراد کو جلد از جلد متعارف کرایا جاسکے اور وہ زیادہ موثر انداز میں اپنی ذمہ داریاں نبھاسکیں۔ کل 7,133 گھنٹے منظم تربیتی نشستیں اور 19,215 گھنٹے کام کے ساتھ تربیت بالترتیب اسٹاف اور مل کارکنان کو فراہم کی گئی۔ ان پروگرامز میں تکنیکی، تعمیلی اور رویہ جاتی صلاحیتوں کے مختلف پہلو شامل تھے۔ گزشتہ سال کی طرح اس سال بھی مالی خواندگی پروگرام کو مزید مستحکم کرنے پر توجہ مرکوز رہی، جس کے تحت سہ ماہی آگاہی نشستیں کے ساتھ ساتھ ملز کارکنان کے لیے ”مالی آگاہی“ پروگرام بھی کامیابی سے جاری رکھا گیا۔ ملازمین کی فلاح و بہبود، شمولیت اور تعلقات کو فروغ دینے کے لیے کھیلوں کے مقابلے، ثقافتی تقریبات، صحت سے متعلق آگاہی نشستیں اور خصوصی تقاریر منعقد کیے گئے۔ ان میں یوم خواتین کی تقریبات بھی شامل تھیں، جن میں ماہرین کی قیادت میں کاروباری ماحول میں سلامتی اور شمولیت (Workplace Safety and Inclusion) پر مکالمے کا اہتمام کیا گیا۔

استحکام اور سماجی اثرات:

کمپنی کا استحکام کا نقطہ نظر ہمہ گیر ہے، جو ماحولیاتی تحفظ، سماجی ذمہ داری اور مضبوط گورننس (ESG) فریم ورک کو ہماری کارپوریٹ حکمت عملی کا حصہ بناتا ہے۔ مقصد پر مبنی حکمت عملی کے تحت رواں سال مختلف اقدامات کیے گئے:

☆ ہنر اور تعلیم:

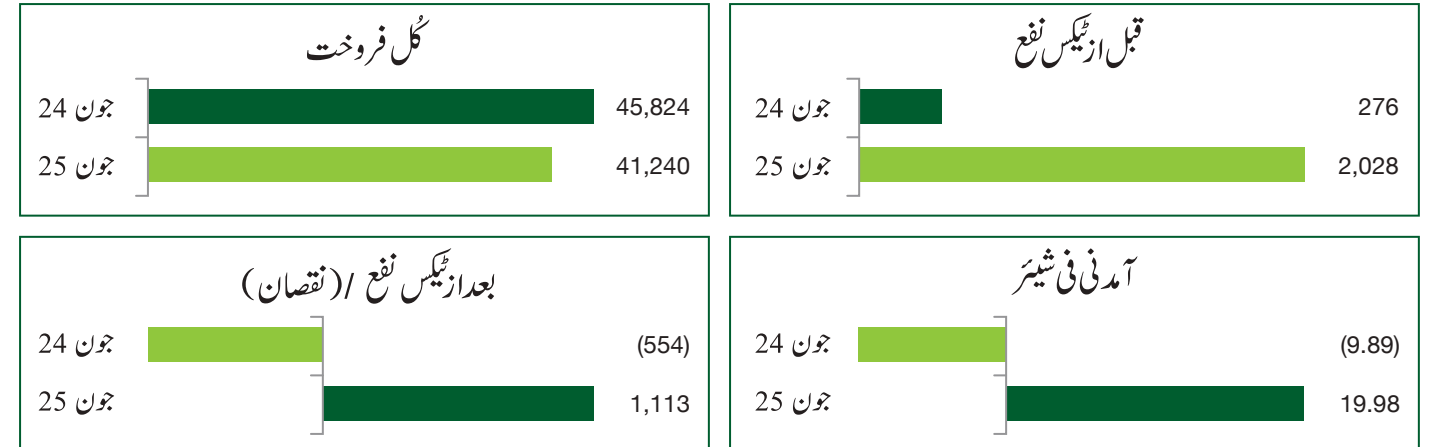
- دی سیٹیز نرفاؤنڈیشن (TCF) کے اشتراک سے 3 اسکول کیمپس قائم کیے گئے، جن سے دیہی علاقوں کے 450 سے زائد طلبہ مستفید ہو رہے ہیں۔
- ’جگنو سبق‘ پروگرام کے ذریعے کم مراعات یافتہ کارکنوں میں خواندگی کو فروغ دیا گیا، جس سے شرح خواندگی 93 فیصد تک پہنچ گئی۔
- اعلیٰ تعلیم کے لیے 6 مستحق طلبہ کو مالی معاونت فراہم کی گئی۔
- اعلیٰ تعلیم کے حصول کے لیے 3 مستحق ٹیکسٹائل طلبہ کو وظائف دیے گئے۔
- صنعت اور تعلیمی اداروں کے درمیان خلا کو کم کرنے کے لیے 8 نئے فارغ التحصیل طلبہ کو بطور تربیتی شامل کیا گیا اور 10 طلبہ کو انٹرن شپ کے مواقع فراہم کیے گئے۔

مالی کارکردگی:

تفصیلات	اختتامی مالی سال 30 جون 2025ء	اختتامی مالی سال 30 جون 2024ء	تغیرات	تغیرات فیصد
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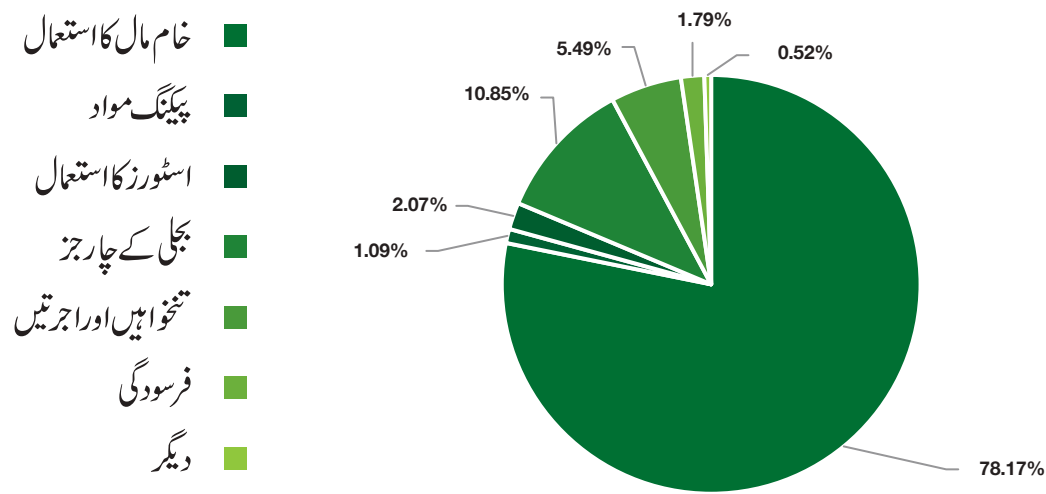
(روپے ملین میں)

فروخت	41,240	45,824	(4,584)	-10.0%
فروخت کی قیمت	38,949	42,486	3,537	8.3%
مجموعی منافع	2,291	3,337	(1,046)	-31.3%
ڈسٹری بیوشن، ایڈمن ودیگر اخراجات	1,439	1,143	(296)	-25.9%
دیگر آمدنی	3,610	4,497	887	19.7%
مالیاتی قیمت	4,786	2,579	2,207	85.6%
قبل از ٹیکس نفع	2,028	276	1,752	634.8%
بعد از ٹیکس نفع / (نقصان)	1,113	(554)	1,667	300.9%
آمدنی فی شیئر	19.88	(9.89)	29.77	300.9%



مالی سال 2024-25 کے دوران کمپنی کی فروخت میں 10 فیصد کمی ریکارڈ ہوئی، جبکہ مجموعی منافع گزشتہ سال کے مقابلے میں 31 فیصد کم ہو گیا۔ فروخت میں اس کمی کی بنیادی وجہ ایکسپورٹ فیسلٹیٹیشن اسکیم (EFS) کا خاتمہ رہا، جس کے تحت برآمدی پیداوار کے لیے مقامی سپلائرز پر دی گئی سیلز ٹیکس چھوٹ واپس لے لی گئی۔ اس پالیسی تبدیلی کے نتیجے میں برآمد کنندگان نے 18 فیصد سیلز ٹیکس کے تابع مقامی یارن خریدنے کے بجائے ڈیوٹی اور ٹیکس فری درآمدی یارن خریدنا شروع کر دیا، جس سے مقامی اسپنرز کی فروخت بری طرح متاثر ہوئی۔

پیداواری لاگت کا ایک خاکہ درج ذیل ہے:



خام مال کی مجموعی پیداواری لاگت 78.17 فیصد جبکہ بجلی کے اخراجات 10.85 فیصد رہے۔ خام مال کی لاگت کو مؤثر انداز میں قابو میں رکھنے کے لیے کمپنی نے مقامی اور درآمدی کپاس کے ایک متوازن امتزاج کو ترجیح دی، تاہم مقامی کپاس کی محدود دستیابی، معیار میں کمی اور پیداوار کی کمی نے منافع پر منفی اثر ڈالا۔ نتیجتاً مہنگی درآمدی کپاس پر انحصار بڑھ گیا، جس سے منافع کی شرح اور کام کے لئے سرمایہ (Working Capital) کی ضروریات پر دباؤ بڑھا۔ مزید برآں، بجلی کے بڑھتے ہوئے محصولات اور کم از کم اجرت میں اضافے نے فروخت ہونے والی اشیاء کی قیمت میں مزید اضافہ کیا۔ مالی سال 2024-25 کے دوران توانائی کے اخراجات میں گزشتہ سال کے مقابلے میں 21 فیصد اضافہ ہوا، جس کی بنیادی وجہ قدرتی گیس، فرنس آئل اور نیشنل گرڈ سے حاصل کی جانے والی بجلی کی بڑھتی ہوئی قیمتیں تھیں۔ قدرتی گیس کی قیمت 3,000 روپے سے بڑھ کر 3,500 روپے فی MMBTU تک پہنچ گئی، اس کے ساتھ لیوی کا نفاذ اور گیس سپلائی میں غیر یقینی کٹوتیاں بھی شامل رہیں، جس سے بجلی پیدا کرنے کی لاگت نمایاں طور پر بڑھ گئی۔ یہ تمام عوامل کاروباری معاملات میں نقصان کا باعث بنے۔ دوسری جانب مالی لاگت کا سٹ میں کمی دیکھنے میں آئی، جو گزشتہ سال کے 4,497 ملین روپے کے مقابلے میں 20 فیصد کمی کے بعد 3,610 ملین روپے رہی، جس کی وجہ شرح سود میں نمایاں کمی تھی۔ دیگر آمدنی نے کمپنی کی مالی صورتحال کو بہتر بنانے میں اہم کردار ادا کیا، جس میں ڈیویڈنڈ آمدنی، سرکاری ٹریژری بلز پر منافع، لیسٹسیکوپریٹیز کی فروخت سے حاصل شدہ منافع اور سرمایہ کاری پر ہونے والا غیر حقیقی منافع شامل ہے۔ اس مدد سے کمپنی کو 4,786 ملین روپے کی آمدنی حاصل ہوئی، جس نے مالی استحکام کو نمایاں سہارا دیا۔ نتیجتاً، بعد از ٹیکس منافع 1,113 ملین روپے رہا، جو تقریباً 301 فیصد کا اضافہ ظاہر کرتا ہے۔

ڈویڈنڈز:

شرح منافع پر دباؤ، کمپنی کے کام کے لئے سرمایہ کی ضروریات اور نقد کی صورتحال (Liquidity Position) کو مد نظر رکھتے ہوئے، بورڈ آف ڈائریکٹرز نے احتیاط برتتے ہوئے 30 جون 2025 کو اختتام پذیر ہونے والے سال کے لیے ڈویڈنڈ کی سفارش نہیں کی۔

شمار پر مبنی رہی، جس میں افراط زر پر قابو پانے اور معاشی بحالی کے درمیان توازن قائم رکھنے کی کوشش کی گئی۔ تقریباً ایک سال تک پالیسی ریٹ کو 22 فیصد پر برقرار رکھنے کے بعد، اسٹیٹ بینک آف پاکستان نے جون 2024 میں بتدریج شرح سود میں کمی کا آغاز کیا۔ یہ اقدام افراط زر میں کمی، بیرونی کھاتوں میں بہتری اور مجموعی معاشی بنیادوں کے استحکام کی بدولت ممکن ہوئے۔ مئی 2025 تک پالیسی ریٹ کم ہو کر 11 فیصد پر آ گیا، جو معاشی استحکام پر بڑھتے ہوئے اعتماد کا مظہر ہے۔ جون 2025 میں کنزیومر پرائس انڈیکس (CPI) کی بنیاد پر افراط زر کی شرح 3.2 فیصد رہی، جو گزشتہ سال جون 2024 میں 12.6 فیصد تھی۔ ان مثبت رجحانات کے باعث مرکزی بینک نے وسط مدتی افراط زر کا ہدف 5 تا 7 فیصد تک برقرار رکھا۔

ٹیکسٹائل سیکٹر:

جولائی تا مئی مالی سال 2025 کے دوران پاکستان کے ٹیکسٹائل سیکٹر کی برآمدات میں 7.37 فیصد اضافہ ریکارڈ ہوا، جو گزشتہ برس اسی مدت میں 8.8 فیصد کمی کو ظاہر کرتا ہے۔ ٹیکسٹائل شعبہ، جو مجموعی برآمدات کا 55.4 فیصد ہے، مستحکم رہا۔ جولائی تا مئی مالی سال 2025 میں مجموعی برآمدات 29.56 بلین امریکی ڈالر رہی، جن میں سے ٹیکسٹائل برآمدات کا حصہ 16.37 بلین ڈالر رہا۔ عالمی سطح پر مضبوط طلب اور بنگلہ دیش میں مزدوروں کی ہڑتال کے باعث برآمدی آرڈرز کا پاکستان کی طرف رخ کرنے سے مقامی صنعت کاروں کو نمایاں فائدہ ہوا، جس کے نتیجے میں ریڈی میڈ گارمنٹس اورنٹ ویز کی برآمدات میں خاطر خواہ اضافہ دیکھنے میں آیا۔ تاہم کاٹن یارن کی برآمدات مالیت اور مقدار دونوں اعتبار سے 32 فیصد کم گئیں، جو اس بات کی نشاندہی کرتی ہیں کہ شعبہ میں ڈھانچہ جاتی اصلاحات اور مسابقت بڑھانے کی ضرورت ہے۔

حتمی ٹیکس کے نظام:

دوران سال صنعت کو متعدد مشکلات کا سامنا رہا، جن میں بڑھتی ہوئی بجلی کی قیمتیں، مقامی خام مال کی مہنگی اور غیر معیاری دستیابی، شرح سود کا بلند رہنا، ٹیکس پالیسی میں تبدیلیاں (جیسا کہ کم سے کم یا عام ٹیکس کے نظام میں منتقلی) اور ٹیکس رقوم کی واپسی میں تاخیر شامل ہیں۔ تقریباً ہر پیداواری صنعت کے لیے توانائی بنیادی جز ہے۔ پاکستان میں صنعتی محصولات میں اضافے کی وجوہات میں گردش قرضوں کا دباؤ، آئی ایم ایف کی شرائط، عالمی سطح پر ایندھن کی بڑھتی ہوئی قیمتیں، اور ٹرانسمیشن و ڈسٹری بیوشن کے بھاری نقصانات شامل ہیں۔ ان عوامل کے نتیجے میں پیداواری لاگت میں اضافہ، منافع کی شرح میں کمی اور بین الاقوامی مسابقت پر منفی اثرات مرتب ہوئے۔ مقامی طور پر تیار ہونے والے کاٹن یارن کی طلب میں کمی بنیادی طور پر برآمداتی سہولت اسکیم (Export Facilitation Scheme (EFS کے خاتمے کے باعث ہوئی۔ اس اسکیم کا مقصد برآمدات کو فروغ دینا تھا، جس کے تحت برآمد کنندگان کو خام مال اور دیگر ان پٹس ڈیوٹی اور سیلز ٹیکس کے بغیر حاصل کرنے کی سہولت دی گئی تھی تاکہ لاگت کم کر کے عالمی منڈی میں مسابقت بہتر بنائی جاسکے۔ تاہم مالی سال 2025 کے بجٹ میں ایک اہم تبدیلی کی گئی اور مقامی سپلائرز پر برآمدی مینوفیکچرنگ کے لیے دی گئی سیلز ٹیکس چھوٹ واپس لے لی گئی۔ ان اقدام کے نتیجے میں برآمد کنندگان نے مقامی طور پر تیار کردہ یارن (جو 18% سیلز ٹیکس کے تابع تھا) خریدنے کے بجائے ڈیوٹی اور ٹیکس فری درآمدی یارن خریدنا شروع کر دیا، جس سے نہ صرف مقامی صنعت دباؤ کا شکار ہوئی بلکہ زر مبادلہ کے ذخائر پر بھی اضافی دباؤ بڑھا۔

خام مال:

پاکستان کی کپاس کی پیداوار کو مسلسل سنگین مسائل کا سامنا ہے۔ سال 2024-25 میں پیداوار ایک بار پھر گھٹ کر 5.6 ملین گانٹھیں رہ گئی، جو 2020-21 کی کم ترین سطح سے مشابہ ہے۔ اس سے قبل 2023-24 میں عارضی بہتری کے ساتھ پیداوار 8.6 ملین گانٹھوں تک پہنچی تھی، جو غیر یقینی موسمی حالات، کاشت میں تاخیر اور معیاری بیج و دیگر عوامل کی محدود دستیابی کے حوالے سے کمزوری کو اجاگر کرتی ہے۔ غیر معمولی بارشوں نے بوائی اور کٹائی کے عمل کو بری طرح متاثر کیا، جس سے کسانوں کی نقدی کے بہاؤ اور بحالی کے مسائل مزید بڑھ گئے۔ پاکستان محکمہ موسمیات کے مطابق ریکارڈ بارشوں نے واضح کر دیا ہے کہ عالمی ماحولیاتی تبدیلیاں ملک کی زرعی پیداوار پر گہرا اثر ڈال رہی ہیں۔ پاکستان کی ٹیکسٹائل صنعت کو کپاس کی سالانہ تقریباً 14 ملین گانٹھوں کی ضرورت ہوتی ہے، جبکہ مقامی پیداوار اس ضرورت کو پورا کرنے میں ناکام ہے۔ نتیجتاً صنعت کو درآمدات پر انحصار بڑھانا پڑتا ہے، جس سے زر مبادلہ کے ذخائر پر مزید دباؤ پڑتا ہے۔

جہاں پڑوسی ممالک جیسے بھارت نے اپنی کپاس کی پیداوار اور معیار میں بتدریج بہتری حاصل کی ہے، وہیں پاکستان میں کپاس کی پیداوار مسلسل کمی کا شکار ہے۔ اس کی بنیادی وجہ ناقص بیج کا معیار ہے اور اس اہم مسئلے کو حل کرنے کے لیے مربوط اقدامات کی عدم موجودگی ہے۔ کپاس کی صنعت کو مستقل ایسی مشکلات درپیش ہیں جیسے ریشے کی غیر یکساں خصوصیات، زیادہ نمی، آلودگی اور نیل ٹوبیل معیار میں تغیر۔ ان مسائل کے باعث عالمی مسابقت میں کمی واقع ہوتی ہے۔ تحقیق و ترقی کو مستحکم بنانا بیج کے معیار میں بہتری کے لئے ناگزیر ہے، تاکہ کپاس کی پیداوار کو ازسرنو فروغ دیا جاسکے، ٹیکسٹائل قدر کی زنجیر (Value Chain) کی پائیداری کو یقینی بنایا جاسکے، اور معاشی چمک کا تحفظ کیا جاسکے۔

توانائی کی لاگت:

بجلی اور ایندھن کے اخراجات اسپننگ ملز کی آپریشنل لاگت کا ایک نمایاں حصہ ہیں۔ گزشتہ چند برسوں کے دوران صنعت کو بار بار ٹیرف میں اضافے کا سامنا رہا ہے، جو خطے کے دیگر حریف ممالک جیسے بھارت، بنگلہ دیش اور ویتنام کے مقابلے میں کہیں زیادہ ہے۔ اس عدم توازن کے باعث پاکستان کے یارن تیار کرنے والے عالمی برآمدی منڈیوں میں مسابقتی نقصان کا شکار ہیں، جہاں قیمتوں کے حوالے سے حساسیت زیادہ اور منافع کی شرح کم ہوتے ہیں۔ مستقبل میں توانائی سے متعلق چیلنجز کو پیش نظر رکھتے ہوئے، کمپنی نے قدرتی گیس پر انحصار کم کرنے اور بجلی کی لاگت کو موثر طور پر قابو میں رکھنے کے لیے متبادل توانائی کے حل اختیار کیے ہیں۔ اس سمت میں ایک اہم قدم کمپنی کے پیداواری مراکز پر مجموعی طور پر 11.13 میگا واٹ کے سولر پاور پلانٹس کا نفاذ ہے، جو نہ صرف صاف توانائی کے اہداف کی تکمیل میں مددگار ہے بلکہ کمپنی کے کاربن فٹ پرنٹ کو بھی کم کرتا ہے۔ برآمدی صنعت پر مبنی ٹیکسٹائل سیکٹر کی مسابقت برقرار رکھنے اور توانائی سے متعلق ممکنہ رکاوٹوں سے بچاؤ کے لیے مستحکم اور سستی توانائی کی فراہمی یقینی بنانا نہایت اہم ہے۔

ڈائریکٹرز رپورٹ برائے اختتامی سال 30 جون 2025ء

کمپنی کے ڈائریکٹرز 30 جون 2025ء کو ختم ہونے والے مالی سال کیلئے ڈائریکٹرز رپورٹ بشمول کمپنی کے آڈٹ شدہ مالیاتی حسابات پیش کرتے ہوئے مسرت محسوس کر رہے ہیں۔

ہمارے لیے یہ باعثِ فخر ہے کہ کمپنی کی سالانہ کارپوریٹ رپورٹ برائے 2023 کو "نیکسٹائل کیٹگری" میں بیسٹ کارپوریٹ رپورٹنگ (BCR) ایوارڈز کے تحت پہلا مقام حاصل ہوا۔ یہ ایوارڈز انسٹی ٹیوٹ آف چارٹرڈ اکاؤنٹنٹس آف پاکستان (ICAP) اور انسٹی ٹیوٹ آف کاسٹ اینڈ مینجمنٹ اکاؤنٹنٹس آف پاکستان (ICMAP) کے باہمی اشتراک سے منعقد کیے گئے تھے۔

معاشی صورتحال:

مالی سال 2025 کے دوران پاکستان کی معیشت نے بتدریج بحالی کی طرف پیش رفت کی اور جی ڈی پی میں 2.68 فیصد نمو ریکارڈ ہوئی۔ یہ بہتری آئی ایم ایف کے ساتھ 7.0 بلین امریکی ڈالر کے ایکسٹینڈڈ فنڈ فیسیٹی (EFF) پروگرام کے تحت کی گئی جو کہ معاشی اصلاحات، بہتر مالیاتی نظم و ضبط اور بیرونی کھاتوں کی مضبوطی کے نتیجے میں ممکن ہوئی۔ جولائی تا اپریل 2025 کے دوران مالی خسارہ کم ہو کر جی ڈی پی کے 3.2 فیصد تک آ گیا جو گزشتہ سال 4.5 فیصد تھا۔ جولائی تا مئی 2025 میں ٹیکس وصولیوں میں 25.9 فیصد اضافہ ہوا۔ مئی 2025 میں کرنٹ اکاؤنٹ پر 103 ملین امریکی ڈالر کا خسارہ ریکارڈ ہوا، تاہم 11 ماہ کے مجموعی حساب سے کرنٹ اکاؤنٹ میں 1.8 بلین امریکی ڈالر کا اضافہ ہوا۔ قرضوں کی مسلسل ادائیگی کے باوجود زرمبادلہ کے ذخائر مستحکم رہے، جس کی بڑی وجہ بہتر کرنٹ اکاؤنٹ پوزیشن، درآمدات پر قابو پانا اور ترسیلات زر کا مستقل تسلسل رہا۔ ان اقدامات نے مارکیٹ میں اعتماد کو سہارا دیا، زرمبادلہ کی شرح کو مستحکم کیا اور ملکی کرنسی پر اعتماد میں اضافہ کیا۔ اس مثبت معاشی صورتحال نے سرمایہ کاروں کے اعتماد کو بھی تقویت دی۔ پاکستان اسٹاک ایکسچینج (PSX) تاریخ کی بلند ترین سطح پر پہنچ گئی۔ KSE-100 انڈیکس 30 جون 2025 کو 125,627 پوائنٹس پر بند ہوا، جبکہ 28 جولائی 2025 کو یہ مزید بڑھ کر 139,462 پوائنٹس کی ریکارڈ سطح پر پہنچ گیا۔

مالی سال 2025 کے دوران جولائی تا مئی کے عرصے میں لارج اسکیل مینوفیکچرنگ کے شعبے میں 1.21 فیصد کمی ریکارڈ ہوئی، جو گزشتہ برس اسی مدت کے دوران 0.99 فیصد کمی کے برعکس ہے۔ مشرق وسطیٰ اور روس، یوکرین تنازعات کے باعث ترسیل میں تاخیر ہوئی اور درآمدی لاگت میں اضافہ دیکھنے میں آیا۔ اسی طرح امریکہ اور چین کے درمیان تجارتی کشیدگی نے خطے کے اسپنرز کے منافع کے تناسب مزید محدود کر دیے۔ اس کے علاوہ بھارت اور پاکستان کے درمیان بڑھتی ہوئی کشیدگی اور آبی تنازعات نے غیر یقینی صورتحال پیدا کی، جو نہ صرف قومی استحکام کے لیے ایک اسٹرائیجک خطرہ ہے بلکہ سرمایہ کاروں کے اعتماد کو بھی متاثر کرتی ہے اور کاروباری تسلسل و عملی اقدامات پر اضافی دباؤ ڈالتی ہے۔ مالی سال 2025 میں پاکستان کی مالیاتی پالیسی چکدار اور اعداد و



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